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ITAR-TASS Carries Press Review for 22 Apr

LD2204060694 Moscow ITAR-TASS in English 0441 GMT 22 Apr 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow April 22 TASS—Central newspapers highlight two most important events today—Russo-Ukrainian talks on the Black Sea Fleet and an anniversary of Vladimir Lenin's birth.

The NEZAVISIMAYA GAZETA writes that according to a trustworthy source, Ukraine expressed readiness to lease Sevastopol to Russia for a term of five years as the main base of the Black Sea Fleet with the subsequent extension of the lease and remove the headquarters and other facilities of the Ukrainian Navy from Sevastopol.

However, Kiev insists that the Black Sea Fleet marines abandon the cities of Ismail, Ochakov, Odessa, Nikolayev and Crimean settlements. Russia agrees to Kiev's proposals in the main, but objects to the removal of its units from the towns of Feodosia and Novoozerny (Donuzlava). Ukraine suggests dividing the fleet in half so that 15-20 per cent of warships and auxiliary vessels remain in the possession of the Ukrainian Navy and the remainder (30-35 per cent) be transferred to Russia on mutually advantageous terms. "It seems that only the Russian side is willing to undo a tight naval knot tied around the Black Sea Fleet and only in part concerning payments of overdue wages to the personnel of the fleet," said Russian Defence Minister Pavel Grachev.

"The first round of talks between delegations of the Russian and Ukrainian Defence Ministries ended to no avail," the newspaper said.

KRASNAYA ZVEVZDA writes that passions running high at the talks and their complexity leave no doubt that the final document "will be borne in pain", and there are no guarantees that mutual understanding will be reached in the course of one session only.

The delegations are planning to work an extra day on April 22 when a news conference devoted to the results of the talks will be held. "One would like to hope that emotions and mutual reluctance to accept each other's positions will not take the upper hand at the talks. Politicians have had they say on the matter. Now, a fair division of the Black Sea Fleet depends on the common sense of the military," the newspaper said.

The newspaper SEGODNYA writes that "by all appearances, the Russian side was prepared to make serious concessions to Ukraine. At least, Russian Defence Minister Pavel Grachev hinted at a meeting with the personnel of the Black Sea Fleet on Thursday that former Black Sea naval bases in Odessa, Nikolayev and Ismail are likely to be transferred to Ukraine on condition that 85 per cent of ships of the Black Sea Fleet remains in Russia's possession. (We shall transfer 15 per cent to Ukraine and subsequently, buy them from Ukraine, the minister said). At the same time the Ukrainian delegation arrived at the talks with rather a tough goal: Sevastopol must remain a naval base under double Russo-Ukrainian jurisdiction," the newspaper said.

Commenting on the anniversary of Vladimir Lenin's birth, the newspaper RABOCHAYA TRIBUNA writes that the Lenin museum marks its 70th anniversary on April 22. In old days, the date used to be celebrated with proper pomposity, but now, the situation is different. "Is this fair and whether those who have embarked upon the road of downright blemishing their own history have made a mistake? All these questions will have to be answered yet," the newspaper said.

The newspaper NOVAYA YEZHEDNEVNAYA GAZETA writes that "there is no "nationwide April" now, no May 1 holiday, and many people say that there is even no Victory Day now. However, these dates survive by themselves and cause genuine concern. New leaders capable of making a crowd go against the authorities and stage pogroms, hiding behind the back of hungry old women, are being born during these days, which is seen from the example of the last May 1 holiday. New authorities are afraid of these holidays and post guards of special task force and riot police, the newspaper said.

The newspaper SAN PETERBURGSKIYE VEDOMOSTI writes that no emergency measures are planned to be taken in St. Petersburg by the command of northwest interior troops. All building and facilities of interior troops will be heavily guarded during these days. No special task force units are expected to appear in the streets of the city.

The newspaper TRUD carries an interview with deputy chairman of the Russian Government and minister for the affairs of nationalities and regional politics, Sergey Shakhray, devoted to the problem of Cossacks. According to Shakhray, the Russian Government will submit a draft law to the State Duma and adopt its own resolutions on tax privileges, problems of Cossacks' land owning and will render assistance in holding a session of the all-Russia Cossack union scheduled in autumn.

The NEZAVISIMAYA GAZETA writes about a ceremony of bidding farewell to Russian troops withdrawn from Germany.

The KOMSOMOLSKAYA PRAVDA publishes an extract from a book by Sergey Beriya, the son of the former Soviet Interior Minister Lavrentiy Beriya, executed in 1953, containing reminiscences if his father.

Bosnian Air Strikes To 'Complicate' Situation

LD2204111794 Moscow INTERFAX in English 1027 GMT 22 Apr 94

[Text] There is every indication that events in and around Gorazde have entered a decisive stage. As a senior Russian Foreign Ministry official has reported to Interfax with reference to information from that city, hand-to-hand combat is underway there.

For this reason, NATO may decide already on Friday to back the UN Secretary General's request for massive air strikes on the Bosnian Serbs. However, such a decision could only escalate the conflict and give the Serbs freedom of action not only in Gorazde but elsewhere in Bosnia, the diplomat said.

In his words, NATO's massive air strikes might "seriously complicate" the position of peacekeepers in Bosnia and necessitate an evacuation of the Sarajevo-based Russian peace-keeping battalion.

He declined to say how precisely Russia would respond to massive air-strikes, if NATO mandated them. "There are a few options. Let us not spur on events," he noted.

He said that "this time Moscow cannot complain that it has not been consulted." Contacts with NATO and with Americans are underway at various levels. It is not ruled out that they will ultimately lead to a summit with Russia, US, EC, and UN to take part, on which Moscow has been insisting. It is hardly likely that efforts to prepare such a summit in just one month's time will succeed. As for a meeting at the foreign ministers level, it is not only feasible but necessary, the diplomat said.

Russia Considers Withdrawing Troops From Bosnia

LD2204104294 Moscow ITAR-TASS in English 1033 GMT 22 Apr 94

[Text] "In case violence escalates on the territory of Bosnia-Herzegovina either because of massive NATO air strikes or combat activities of the sides directly involved in the conflict and (in case of) a threat to the personnel of UNPROFOR [UN Protection Force], it cannot be ruled out that the question of the necessity of further stay of peace-keeping forces in Bosnia will arise", Karasin said adding that Yasushi Akashi, the envoy of the UN secretary general, had recently mentioned the possibility.

He stressed that a number of states whose peace-keepers are in the zone of conflict had several times noted that in case of a real threat to the personnel of their peace-keeping forces the question may arise about withdrawing them.

Russia will follow suit in this case, according to Karasin.

Karasin on Possible Withdrawal

LD2204110994 Moscow ITAR-TASS World Service in Russian 1019 GMT 22 Apr 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 22 Apr—In connection with the reports by a number of agencies about the possible withdrawal of Russia's peacekeeping battalion in Bosnia-Herzegovina, Grigoriy Karasin, director of the Press and Information Department at the Russian Foreign Ministry, today said the following to an ITAR-TASS diplomatic correspondent:

"In the event of an escalation of tension in Bosnia-Herzegovina which poses a threat to UNPROFOR [UN Protection Force] troops, be it as a result of mass air strikes by NATO, or of military activities of the sides directly involved in the conflict, then the question could arise of whether it is expedient to keep peacekeeping forces in Bosnia. The UN secretary general's special envoy, Y. Akashi, also said this recently. A whole number of states with peacekeeping forces in the zone of conflict have said several times that if a real threat to peacekeepers develops, the question may arise of withdrawing military contingents. It goes without saying that, in this event, the Russian side would not sit with its arms folded either."

Kozyrev Terms Bosnian Serbs' Actions Barbaric

LD2204113694 Moscow ITAR-TASS World Service in Russian 1047 GMT 22 Apr 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 22 Apr (ITAR-TASS)—The possibility of a political solution in Bosnia does exist, Russian Foreign Minister Andrey Kozyrev declared today. Speaking to journalists after the talks in Moscow with his Danish counterpart, Niels Helveg Petersen, he called for support for the "Party of Reason" in Serbia and for Russia, the United States, the United Nations, and the EC to draw up a peace plan.

"We cannot condone the actions of those Bosnian Serbs who carry out artillery bombardments of civilian installations," said the head of Russian diplomacy. "It is perfectly clear that these people have embarked on a road that runs counter to Serbian interests—those of Serbia as a whole and of the Bosnian Serbs—in the most blatant manner. Russia cannot see that road as being anything other than barbarism and a crime. So what trust can there be with these people?"

"At the same time," the minister continued, "we think that there is the possibility of a political settlement. There are other Serbs, in Bosnia too, those whom I call 'the Party of Reason'. There is President Milosevic in Belgrade, with whom I spoke for several hours on the night of 16-17 April. He has a very rational approach, about which he and I talked when meeting journalists after the conversation.

"The international community must now help those Serbs who are really concerned for the interests of Serbia and for the interests of the Bosnian Serbs, and put forward a peace plan. That, unfortunately, has not yet been done," Kozyrev emphasized.

He spoke in favor of a joint plan drawn up by Russia, the United States, the EC, and the United Nations aimed at resolving the Bosnian problem. That is precisely what we are seeking from our partners, the Russian foreign minister indicated. "While they are working on a war plan in NATO, we want to work on a peace plan with them," A.Kozyrev said. "Otherwise it may happen that, in a day or two's time, there will be a war plan, worked out in detail inside NATO, but there won't be a detailed joint peace plan. It seems to me that that would be a defeat for the international community."

Holds Out Hopes for Peace

LD2104155794 Moscow ITAR-TASS World Service in Russian 1517 GMT 21 Apr 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 21 Apr—Russian Foreign Minister Andrey Kozyrev today expressed the hope that neither the petty provocations of the Moslems, the criminal artillery shelling of civilian targets in Gorazde, nor the threat of the unleashing of an air war in Bosnia will wreck the talks in Belgrade planned for 22 April between the UN special envoy Yasushi Akashi and the Serb leaders Slobodan Milosevic and Radovan Karadzic.

Russia, he noted in a conversation with an ITAR-TASS correspondent, has done a great deal and is prepared to continue its efforts to establish a lasting interaction between the Serbian side and the UN in the hope of settling the situation around Gorazde and strengthening the safety zones. It is important to move without delay toward a comprehensive reduction in all hostilities in Bosnia-Herzegovina, a draft of which has already been prepared through the joint efforts of Vitaliy Churkin and Charles Redman, the co-chairmen of Russia and the United States.

I hope, the minister stressed, that the Serbian President S. Milosevic will this time be successful in putting into practice the policy that was agreed upon during the course of our conversation with him during the night of 16-17 April, because it is precisely this which meets the interests of the Serbs and their traditional relations with Russia.

Russia To Continue Peace Efforts in Bosnia

LD2104173194 Moscow INTERFAX in English 1440 GMT 21 Apr 94

[From the "Diplomatic Panorama" feature:reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Russia still possesses the means to exercise influence in the former Yugoslavia and will go on trying to make the Serbs stop fire, said the Russian president's official spokesman.

Vyacheslav Kostikov told a news briefing in Moscow on Thursday that President Boris Yeltsin insisted that highest-level consultations on the Yugoslav issue between Russia, the United States, the European Union and the United Nations take no more than one month, developments in the embattled Balkan country being too fast.

Kostikov denied media reports that the latest events in Bosnia's Gorazde area had made Russia change its position. Moscow still wants a nonviolent settlement, he said.

Russia is taking no sides in the conflict, the spokesman said. Yeltsin thinks not all nonviolent means have as yet been tried, Kostikov said. He said he had had a meeting with Yeltsin before the briefing, at which the president repeated his objection to air strikes against Bosnian Serb forces.

Kostikov denied that a rift had appeared between Russia and America. "There are undoubtedly natural contradictions between states in their national interests, in economics and politics, but Boris Yeltsin believes the main principle underlying the policies of the two countries, namely their intention to develop cooperation and strengthen the path of democratic development has not been changed," he said.

He quoted Yeltsin as saying that attempts to "drive a wedge between Russia and the United States and between him and President Bill Clinton are doomed to failure."

State Duma Delegation Arrives in Belgrade

LD2104203494 Moscow ITAR-TASS World Service in Russian 2009 GMT 21 Apr 94

[By ITAR-TASS correspondent Aleksandr Kondrashov]

[Text] Belgrade, 21 Apr—A parliamentary delegation from the Russian State Duma arrived today in Belgrade. Its aim is to study the present situation in the republics of the former Yugoslavia and inform all the deputies about the results of the study with the subsequent aim of discussing the issue in the parliament. The delegation, which includes representatives of most of the factions, is led by Nikolay Bezborodov, deputy chairman of the State Duma Committee for Defense and Security.

Yeltsin, Foreign Ministry Share Views on Bosnia

LD2104162294 Moscow INTERFAX in English 1409 GMT 21 Apr 94

[Text] The allegations that the stand concerning the ways to resolve the crisis in Bosnia-Herzegovina taken by President Boris Yeltsin seriously differs from that of Russia's Foreign Ministry are contrary to reality. "They are nothing but conjectures," a spokesman for the ministry, Mikhail Demurin, said at Thursday's briefing in Moscow.

According to him, "when formulating Moscow's attitude to the ways to resolve the crisis in Bosnia, the Russian president takes into account the entire range of views prevailing among the legislative and executive authorities, including recommendations given by Russia's Foreign Ministry."

Moscow, Demurin noted, "will continue its work with the Bosnian Serbs." "The statement made by the special envoy of the Russian president, Vitaly Churkin, as to an end to all talks with the Serbs, was interpreted incorrectly. Churkin meant only the crisis in and around Gorazde. Additional contacts with Bosnian Serbs in regard to that problem were not required. They had been told everything," he said.

As Demurin said, "some positive shifts have emerged in regard to the possibility of defusing the situation in Bosnia." "According to the information arriving from Bosnia, all U.N. representatives have been freed, and the 18 anti-aircraft guns seized by the Serbs previously have been returned. The U.N. representatives have not yet arrived in the area of Gorazde for purely technical reasons," he said.

"The special envoy of the U.N. secretary General, Yasushi Akashi, is satisfied with his contacts with the leaders of Bosnian Serbs, who promised to halt military actions in the three-kilometer zone surrounding Gorazde," Demurin said.

With reference to the possibility of gradually lifting the international sanctions imposed against Belgrade, the Foreign Ministry spokesman stressed that "in the future this issue should be present in the unified stand to be taken by the world community." "Such stand is to be worked out yet. When lifting sanctions imposed on the Serbs the world community must see prospects for resolving the conflict," he said.

According to Demurin, "there are people with obviously militarist thinking among the Bosnian Serbs and in Belgrade." "The sober-minded Serbs in Bosnia and in the Republic of Yugoslavia should distance themselves from them. We shall support any efforts aimed at resolving the crisis in Bosnia peacefully," he concluded.

Foreign Ministry Seen Bereft of Balkan Policy

PM2104133594 Moscow PRAVDA in Russian 21 Apr 94 pp 1, 3

[Article by special correspondents Nikolay Krivomazov and Yevgeniy Fadeyev under the "'New World Order' in Action" rubric: "Closing Your Eyes To Avoid Seeing the Truth: Why the Serbs Love the Russians and Why the Russian Foreign Ministry Does Not Requite"]

[Text] It is night. In the Balkans. Midnight and another, the 100th, check point along the "lifeline" from Belgrade to Knin, capital of Serbian Krajina, or to Pale, capital of the [Bosnian] Serb Republic. There are guys two meters tall standing there in camouflage gear, their eyes tired and their faces no longer wearing a smile. It is passport control.

But there are Serbian anti-vehicle obstacles. The weather is damp. A Serbian fighter holds out his hand for the passport. Light begins to penetrate the night. "Hello, brother!" say the border guards, old people, and even children.

We have been together, we Russians and Serbs, throughout time. You will remember "Anna Karenina." Where does Vronskiy go at the end of Tolstoy's novel? We have a common history, common memories, and even common enemies. That is the way it was. That is the way it is.... But how will it be in future?

Here is an excerpt from a recent interview in the Russian press by Mr. Kozyrev:

"Frankly, I am amazed how we suddenly fell in love with Yugoslavia and the Serbs, whom for over 40 years the communist regime simply could not abide. I can remember from my childhood a caricature of Tito wielding a blood-stained fascist ax. I did not for some reason think about the historical roots at the time. If we pursue a one-sided policy toward Yugoslavia, we take, for example, the side of Orthodoxy, what, in your opinion, will be the reaction of Russia? The reaction of those who are themselves Muslims or who are drawn toward Islam?..."

We arrive! The foreign minister of a still great Russia is absolutely ignorant of History with a capital "H," which for some begins with Tito but for others begins much earlier.

That first-rate diplomat Baron Dibich, who was sent to Serbia in the seventies of the last century on the orders of the tsar, wrote:

"The uprising of the Serbs and their struggle for independence is a fact of great significance to Russia. The well-being of these two peoples is interlinked. Russia's misfortune means Serbia's ruin, while Serbia's ruin is Russia's misfortune. Russia will never be able to count on another people if it leaves Serbia in the lurch."

However, Kozyrev, on visiting Belgrade for the first time, delivered speeches on indestructible historical links, but, on returning home, signed up to "the new political realities."

We supported the Muslim-Croat federation in Bosnia without the participation of the Serbs. While declaring our love for them, the Serbs, Churkin was in Washington among the leaders of Croatia and Bosnia. There is no need to spell out how this was interpreted by the Serbs.

Russia, having advocated sanctions against Yugoslavia, does nothing to get them lifted. If anyone lifts these sanctions it will be the United States. And then Russia will have nothing to do in the Balkans for 50 years or so.

We Russians or, more precisely, the Russian Foreign Ministry, are either unaware of what is actually happening here in the Balkans or are deliberately screwing up our eyes to avoid seeing the truth and taking the situation in hand. Judge for yourselves. First, Churkin states that the Russian contingent of Blue Berets will never enter Sarajevo. A few days later and our guys are there.

It is alleged that Washington did not notify Russia in advance of the bombing of Gorazde. Untrue. Our Foreign Ministry did know. At least Warren Christopher says so.

Back to Kozyrev: A few days after his amiable conversation in Moscow with Karadzic he reminds his counterpart from Sarajevo, Silajdic, that Russia is not only a Slavic country but one of the largest Muslim countries in the world. Such words were not expressed to Karadzic.

All the propaganda clamor about Russian diplomacy's successes is designed for naive souls. The game has long been played on another field. The Serbs, by the way, are not so naive. They are simply tactful, and the proverb "Christ is in Heaven but Russia is on Earth" remains in their blood.

It is no wonder that Karadzic should state after his visit to Moscow that "Russia is not, as is mistakenly thought in the world, such a defender of us as America is of the Muslims."

There is no provocative subtext here, merely bitter words. And headlines such as "Whose Side Is Russia On?" and "Is Russia Trading Serbian Land?" are now appearing in Belgrade newspapers.

As for Kozyrev's latest visit to Belgrade, there were the standard calls by him to Warren Christopher both before and after. And after his return Churkin's scandalous statement that it is time for Russia to...cease all discussion with the Bosnian Serbs.

Many people think that Russian diplomacy is doing quite a lot in the Balkans. At any rate, it is clear even to the uninitiated that it is "busy." But this "business" increasingly reminds one of the agitation of someone running ahead of a political steamroller, darting first to the left and then to the left to avoid being crushed.

In actual fact we have, to put it mildly, no diplomacy at all in the Balkans today. It is like a piece of plasticine from which you can fashion whatever you like. Everyone fashions whatever they like out of it. Everyone save us, save Russia.

The Serbs love us out of habit, through inertia. But for what do they still love us today?

Abandonment of Bosnia Talks Criticized

PM2104152494 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Apr 94 p 7

[Sergey Moshechkov article: "Russia in Bosnia: Get Out in Order To Remain"]

[Text] In recent days the Western allies were unable to hide their "sigh of relief" when Russia left the negotiations with the Bosnian Serbs, saying that they do not keep their word and are taking a great power for a "banana republic."

Yet immediately after Russian Special Representative V. Churkin's return to Moscow, Washington and the UN mediators achieved certain results at the Bosnian Serbs' headquarters in Pale. R. Karadzic agreed to put heavy weapons around Sarajevo under the control of international observers, and to release detained servicemen from the peacekeeping contingent. Western news agencies are delightedly informing the world that "the agreements in Pale were achieved as a result of efforts by the international community, first and foremost the United States."

Have we not left the Bosnian "operating table" too soon? True, you have to recognize that the Serbian "patient" has behaved in a fairly violent manner. Just last week the Bosnian Serbs agreed to deal only with Russia and made generous promises to V. Churkin and A. Kozyrev that they would calm down in Gorazde, but.... As local observers report, information on their actions is very contradictory and their behavior very unpredictable.

Whom will Moscow believe now, which side will it take? Hopefully, only our own. You could spend a long time pondering why the Serbs set us up and who benefited from all this and why. At the moment one thing is clear—by getting out of the Balkans Russia will definitely lose.

The Kremlin understands this. B. Yeltsin has proposed calling a summit meeting on the situation in former Yugoslavia.

One more thing. It would be naive to believe the claims that our diplomats have weak nerves. Even at a personal level. We should not forget that V. Churkin himself received a wonderful education as a young interpreter participating in negotiations on global international problems. It was our star diplomats who conducted these negotiations, people who avoid slamming doors and have the patience to seek compromises and take adjournments at the right time in order to finally achieve concrete results. Adjournments which, perhaps, it behooves a great country to make in its relations with impatient or inessential partners.

Envoy to United Nations Urges Political Solution

LD2204091594 Moscow ITAR-TASS in English 0845 GMT 22 Apr 94

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations April 22 TASS—"Russia calls for a breakthrough towards the settlement of the bloody Bosnian conflict, which can be ensured only by perspective and bold political steps, projected into the future," Russian Permanent Delegate on the United Nations Yuliy Vorontsov told the U.N. Security Council in connection with its resolution on Gorazde, adopted last night.

"Russia is convinced," Vorontsov noted, "that there is no alternative to the political deblocking of the Bosnian conflict. In addition to urgent measures, called upon to stop the military escalation, we need perspective political steps, projected into the future, which would ensure a breakthrough towards the settlement of this sanguinary conflict. This is the purpose of Russian President Boris Yeltsin's initiative, envisaging a summit meeting of Russia, the United States, the European Union and the United Nations. It is high time for them to work out a joint political approach to the solution of the Bosnian conflict and to make it known to the conflicting sides so that it would be clear to them that it is necessary to reach an agreement and not to skip over from one crisis to another," the Russian delegate noted.

He pointed out that in the present-day conditions it was primarily necessary for all the sides to immediately conclude under the aegis of the U.N. PROFOR [UN Protection Force] an agreement on a ceasefire in Gorazde and on the entire territory of the Republic of Bosnia and Herzegovina, which should be scrupulously observed. "The Bosnian Serb leadership must assume a commitment to stop attacks and to withdraw its forces from Gorazde, to ensure conditions for the deployment of U.N. troops in that city... At the same time, all provocative actions in Gorazde and around it, as well as in other safety zones must be stopped," Vorontsov stressed. He said that the Security Council "cannot and shall not put up with attempts to undermine the political process by adventuristic and provocative actions, no matter who is behind them."

The Russian representative drew attention to the concern expressed in the resolution in connection with the abuse of the status of safety zones and pointed out that it was necessary to specify the concept of such areas. He expressed Russia's readiness to strengthen the safety zones.

Vorontsov stressed that the idea of lifting the embargo on arms deliveries to the conflict zones "runs counter to the efforts to achieve an early peace and is apt to add fuel to the blazing conflict, which is liable to spread to neighbouring countries".

Brzezinski's Criticism of U.S. Partnership Assailed

PM2104135294 Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 94 First Edition p 6

[Article by Vyacheslav Yelagin, section head at the Russian Federation Ministry of Foreign Affairs Department of Information and the Press, and Valentin Ovsyannikov, senior counselor: "Back to the Cold War. Former Presidential Security Adviser Z. Brzezinski Calls for This"]

[Text] It was noted long ago that certain retired politicians who were once at the helm of state power find it difficult to renounce stereotypical thinking. They interpret any new trends in world affairs with a sense of nostalgia for the old days. It seems that precisely this applies to the famous American political scientist Zbigniew Brzezinski, who published an article in the journal FOREIGN AFFAIRS entitled "Premature Partnership." It is devoted to the very topical issue of bilateral U.S. relations with the new democratic Russia.

Even a reader who is inexperienced in the nuances of diplomacy can realize that there is today no sensible alternative to partnership between our two countries.

But these sentiments are clearly not to everyone's liking, on both sides of the Atlantic. To all appearances, Zbigniew Brzezinski belongs to this category. In the aforementioned article, he criticizes not only the very idea of a Russian-U.S. partnership, but also in essence the B. Clinton administration's foreign policy concept with regard to Russia. In his opinion, U.S. relations with Russia are marked by "attractive idealistic optimism," are based on false premises, are oriented toward false goals, and have potential geopolitical consequences. The former presidential adviser is advising Washington not to do business with a country in which reforms are being impeded and "imperial impulses" are appearing within its political circles. This policy, he claims, is designed to integrate the post-Soviet area under Moscow's full diktat in the economic and military spheres, with the subsequent transformation of the new formation into a large and powerful state with a global sphere of influence.

Z. Brzezinski's unsubstantiated accusations of "bad behavior" against Russia are no accident. They are motivated by the fact that Russia, in spite of the difficulties it is going through, does not intend to relinquish great-power status. The American political scientist, whose opinion is reckoned with in the corridors of power, is simply getting upset because Russia like any other country has its own geopolitical interests and zones of primary focus.

Such conclusions seem more than strange, since Russia is not employing the tactics of intimidation or domination in any region of the world, nor is it encroaching on other states' independence. If Brzezinski analyzed carefully the Russian Federation's new military doctrine, he would satisfy himself that it is oriented exclusively toward defensive goals.

You find the same with regard to Russia's peacekeeping efforts in the CIS "hot spots." Its mission to mediate by separating the warring sides is deemed to be nothing more than a manifestation of expansionism. Moscow's measures to strengthen stability in the former USSR countries, for which its economic assistance exceeds by many times Western aid to Russia itself, are dismissed out of hand. Not to mention the fact that Russian servicemen take on the lion's share of the difficulties there, come under fire, and get killed. And this is called "expansionism"?

In his essay, Z. Brzezinski did not leave out Russian-Ukrainian relations. His verdict here is fairly blunt: Moscow is, he claims, intensifying economic and military pressure on Kiev with a view to destabilizing the situation in the republic and bringing it closer to Russia. These conclusions are entirely contrary to common sense. It would do him no harm to know that the Ukrainian leaders themselves are coming out in favor of creating an economic area or union with Russia.

Z. Brzezinski does not hide the fact that he is an active supporter of NATO's expansion. In his opinion the idea of NATO and Russia giving security guarantees to the countries of Central and Eastern Europe in effect means agreeing to the creation of a sphere of influence for Moscow with the prospect of its revival as a powerful Eurasian power. He sees an alternative to this in admitting the "Central European democracies" to NATO, which will prevent a "security vacuum" between Russia and NATO, that is it will signal the "Brzezinski model of security."

These inflammatory arguments are borrowed from the arsenal of either the bloc or the bipolar system of security, presupposing the presence if not of a real enemy then of an imaginary one. Passing this off as an axiom of today's European policy, in the context of the transformations which are taking place, is frankly dangerous.

Grachev, Dubinin View Black Sea Fleet Talks

LD2104185994 Moscow INTERFAX in English 1507 GMT 21 Apr 94

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] The agreement on gradual settlement of the Black Sea Fleet problem signed by Ukrainian and Russian presidents the previous Friday has become "the starting point" for the solution of this issue by military departments. Russian Defense Minister Pavel Grachev, who came to Sevastopol to negotiate with his Ukrainian counterpart Vitaliy Radetskyy, expressed this opinion to journalists on Thursday.

Grachev underlined: "I have come to constructively speak on the Black Sea Fleet problem given the will of Ukraine's and Russia's peoples and, of course, the fleet's mariners." Grachev added that Russia "has enough forces and funds to buy the entire Black Sea Fleet."

He recognized that "the positions of the Ukrainian and Russian delegations slightly differ," at the same time he added that "there are no unsolvable issues."

Plenipotentiary representative of the Russian president at the negotiations Yuriy Dubinin, who came to the Crimea together with Grachev, also thinks that further development of the agreement reached between Boris Yeltsin and Leonid Kravchuk in Moscow would be the major theme of these negotiations. During his conversation with journalists he pointed out that the previous agreements on the Black Sea Fleet between Moscow and Kiev had not been fulfilled "due to the counteraction on the part of the lower structures of power."

Addressing the Black Sea Fleet personnel in the morning, Grachev underlined that he would do his utmost so that Sevastopol would become Russia's major base on the Black Sea. Grachev believes that the fate of the fleet should be solved immediately, "we need just and precise solutions." "We must do everything in order to preserve the Black Sea Fleet for Russia as the most combat efficient and sanguineous units of the Russian armed forces."

At the same time Grachev underlined that Russia would never fight "with Ukraine's people. This is the major position to which the Russian party would adhere at the negotiations."

The negotiations in Sevastopol started with a private meeting between Grachev and Radetskyy.

A reliable source in the Black Sea Fleet headquarters reported to Interfax about one of the variants of the Black Sea Fleet division considered by Moscow—strategic ships (antisubmarine crafts, cruisers) will belong to Russia and tactical crafts (sweepers and coast guard boats)—to Ukraine.

The issue on the stationing of the fleet's Russian and Ukrainian units is expected to become the subject of a sharp discussion.

On the eve of the negotiations Radetskyy declared to journalists that "Ukraine's Navy would be deployed in Izmail, Ilyichevsk (near Odessa), Ochakov, Kherson, and up to Kerch."

In Radetskyy's words, "the presidents would be informed about the proposals worked out during this meeting with Grachev and would make the final decision." After that "the agreement on the creation of Russia's naval base on Ukraine's territory, in case it is reached, should be obligatory ratified by the Ukrainian parliament," stressed Radetskyy. IF Note: At his regular briefings held on Thursday the presidential press secretary Vyacheslav Kostikov pointed out that Boris Yeltsin shows "restrained and moderate optimism and hopes that Grachev and Radetskyy would be able to reach agreements." Kostikov indicated that as before Yeltsin believes that the servicemen should primarily remove tension and excessive emotions. "Yeltsin also hopes for Kravchuk's sound sense and for the fact that the Ukrainian leadership would mind the existing realities."

Further Talks Held in Sevastopol on Fleet Dispute

LD2204115394 Moscow INTERFAX in English 1027 GMT 22 Apr 94

[Text] Russian and Ukrainian military officials have held further behind-the-scenes talks in Sevastopol in an effort to overcome the dispute over the Black Sea Fleet (BSF). Defence ministers Pavel Grachev and Vitaliy Radetskyy met privately before the two delegations went into a full-scale session.

Experts on both sides meeting later in the day on Thursday had failed to reach agreement on the location of the headquarters of Russian and Ukrainian parts of the Fleet, one negotiator told INTERFAX on condition of anonymity.

Ukraine wants to hold back to Sevastopol as its naval stronghold or share it together with Moscow.

The source believes that a sharing out of the Fleet is the only issue the two sides are most likely to resolve. He said Kiev might settle down for 18 pct of the BSF with the remainder going to Russia.

Presidents Yeltsin and Kravchuk meeting in Moscow a week ago had agreed that Ukraine's share of the Fleet would run at 15-20 pct.

Moscow has remitted more than 250 billion karbovantsy for the upkeep of the Fleet this week though the April bill runs at 257 billion, member of the Russian military delegation Vasiliy Vorobyev told INTERFAX. He said Kiev had stopped BSF financing since the end of last year.

Grachev Seeks 80 Percent of Fleet

MK2204085094 Moscow NEZAVISIMAYA GAZETA in Russian 22 Apr 94 p 1

[Aleksandr Pilat report in the "Russia-Ukraine" column: "Pavel Grachev Will Do Everything for Sevastopol To Become Russia's Main Base on the Black Sea. But the First Day of Negotiations on the Black Sea Fleet Division Has Ended Inconclusively"]

[Excerpts] [Passage omitted] The current situation has been commented on by Aleksey Kalinin, former Black Sea Fleet commander; and Valeriy Volodin, chairman of the Coordinating Council of the Black Sea Fleet Officers Assemblies. The keynote of their statements was the impossibility of dividing the fleet. But if the presidents so wish, then both the main and all the other Black Sea Fleet bases must remain in Crimea. As for the Ukraine Navy base, both Kalinin and Volodin, as well as other Black Sea Fleet representatives, persistently urged Pavel Grachev not to allow its deployment in any of Crimea's populated areas. Kalinin proposed that the Ukraine Navy headquarters and its installations be located in Odessa, Nikolayev, or Ochakov, but "in no circumstances in Crimea."

Summing up the results of the meeting, Russian Federation Defense Minister Pavel Grachev said that he has taken note of everything that was said and that "we must have 80 percent of the fleet, and then it will be a sound fleet. We shall stick to our guns." [passage omitted]

Reliable sources say that the Ukrainian side has expressed its readiness to lease Sevastopol to Russia for five years, as its main Black Sea Fleet base, with a subsequent extension of the term; and to withdraw the Ukraine Navy Headquarters and other installations from Sevastopol. Kiev, however, insists that Black Sea Fleet units leave the cities of Izmail, Ochakov, Odessa, and Nikolayev, as well as populated areas in Crimea. The Russian side agrees with this in principle but is against redeploying its units from Feodosiya and Novoozernyy (Donuzlav). Ukraine proposes dividing the fleet fifty-fifty, so that 15 to 20 percent of battleships and auxiliary vessels go to the Ukraine Navy while the remaining part (30 to 35 percent) Kiev promises to transfer to Russia on mutually beneficial terms.

Yesterday at 1200 talks began at the Black Sea Fleet Headquarters between the defense ministers of Russia, Army General Pavel Grachev; and of Ukraine, Army General Vitaliy Radetskyy. Radetskyy declared that the negotiations cannot proceed with the participation or even in the presence of Yuriy Meshkov, president of the Republic of Crimea; or Viktor Semenov, chairman of the Sevastopol City Council. Meshkov and Semenov left the room. According to information in possession of NEZAVISIMAYA GAZETA's correspondent, the president of the Crimean Republic has left for Simferopol. [passage omitted]

Grachev Explains Plans for CIS Bases

LD2204011794 Moscow Radio Moscow in Russian to Tajikistan 1600 GMT 21 Apr 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[Excerpts] Now for the details we promised of the visit to Russia by a Turkish military delegation. Aleksandr Znamenskiy is at the microphone.

[Znamenskiy] On 20 April Turkish National Defense Minister Mehmet Golhan arrived in Moscow on an official visit, and immediately held talks with Russian Defense Minister Pavel Grachev. [passage omitted]

During the talks Army General Pavel Grachev also touched on the question of Russian military bases in the countries of the CIS. Here is what he said to his Turkish colleague.

[Begin Grachev recording] We are going over to the stationing of bases [bazovoye razmeshcheniye] of our troops on other states' territories. We already have accord of this kind from Armenia, Georgia, and Azerbaijan. In Georgia we are planning to set up three bases, in Armenia one base [as heard], and in Azerbaijan not so much a base as a military facility in Gaballa, which is a necessary (?post) not only for Russia but for all states desiring peace—it is a ballistic missile early warning facility. In order for this to be formalized legislatively, all that is needed now is political decisions by the leadership of our country and a legislative base from our legislators. [end recording]

[Znamenskiy] It remains to be added that Russia's military presence in Commonwealth states should not be regarded as a display of Russia's imperial ambitions. It serves the interests of peace.

Terms for Joining 'Partnership' Under Consideration

LD2104174894 Moscow INTERFAX in English 1440 GMT 21 Apr 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] The issues of interaction between Russia and NATO, in the framework of the Partnership For Peace program also, will be discussed during a visit to Brussels to be paid by Defence Minister Pavel Grachev on May 24-25. However there are no plans to sign the program during his visit. Interfax learned this from Yuriy Ushakov, the chief of the European Cooperation Department of Russia's Foreign Ministry.

According to him, the issue of Russia's joining the Partnership For Peace program is still being considered. "At the moment it's hard to say what time interdepartmental discussions will take. Neither has it been decided in what form Russia will submit its considerations concerning its joining NATO's Partnership For Peace program," he said. "At first we would like to discuss with NATO the content of our relations, and settle the issue of joining the Partnership program in one way or another only afterwards."

When asked whether Moscow intends to receive guarantees that upon signing the program Russia will not find itself in a position of NATO's "junior partner", Ushakov said "Yes". "We want to discuss the entire format of our relations with NATO in advance," he said.

As Interfax's interviewee said, Moscow is deciding "when and in what form it will submit to NATO its presentation document which concretizes the possible directions of interaction between Russia and NATO in the framework of the Partnership For Peace program."

When asked about NATO's reaction to the cancellation of Foreign Minister Andrey Kozyrev's visit to NATO's headquarters in Brussels planned for April 21 because of the developments in Bosnia, Ushakov said: "NATO's program says that a potential partner decides on its own when to sign the document and on what level. For Russia it is not important whether it will be the fifth, sixth, or fourteenth to join the Partnership program. What is important to us is to make this partnership meaningful in real terms."

NATO Inspectors Visit Northern Fleet

LD2004215094 Moscow INTERFAX in English 1347 GMT 20 Apr 94

[Text] In accordance with the treaty on conventional weapons in Europe, a team of U.S., Norwegian and Danish military experts visited the garrisons of Russia's Northern Fleet. Representatives of the department for treaty implementation Captain Aleksandr Arbatov reports that military inspectors have visited the coast-guard division, located in the village of Lesnaya Rechka and the aviation regiment in the village of Katunino in the Arkhangelsk Region, where they were informed of the dislocation of the units and their strength and armaments.

This is NATO's third inspection mission to be carried out in the Northern Fleet since the conclusion of the treaty on conventional weapons in Europe and the Vienna document. After the treaty on the reduction of strategic offensive weapons goes into effect, military inspectors will visit the Northern Fleet's nuclear facilities in Severomorsk. The date of the visit has not been fixed yet.

Woolsey Predicts Spate of Exposures of Russian Spies

PM2104141794 Moscow IZVESTIYA in Russian 21 Apr 94 p 3

[Aleksandr Shalnev report: "CIA Continues To Catch Moscow Agents"]

[Text] Another whole series of major scandals involving the exposure of Americans who had worked for the intelligence services of the USSR, Russia, and other countries of the former Soviet bloc is in prospect. This was stated by CIA Director James Woolsey.

Judging from Woolsey's statements, it is not a question of ordinary Americans, but of staffers at various government departments. Journalists are assuming that these departments include the State Department, Congress, the Pentagon, and the White House, where, according to U.S. sources, there was a Soviet "mole" throughout the James Carter presidency. The CIA director added that both retired and active government officials are under investigation.

Some people believe that most of the pointers may have come from Germany—as a result of access to the archives of the former East German intelligence. It is not ruled out that CIA and FBI investigators were also able to make Ames talk—he is currently doing a deal with the authorities in an attempt to reduce the sentence facing his wife, who is also charged with espionage.

Although, on the other hand, Ames could hardly have had access to information about who else among his colleagues might have been recruited by intelligence services behind the Iron Curtain. This is partly confirmed by the CIA director, who stated that Ames did not play a decisive role in exposing other spies in different government departments.

The most important catch so far has been an as-yet-unnamed staffer from the Carter White House. Under Carter U.S. intelligence organs—and particularly the CIA—were demoralized as a result of the decision by the then president and the the CIA director to considerably cut back the intelligence apparatus. As can be imagined, this situation could not fail to make it easier to recruit people from the intelligence organs themselves and from government structures directly involved in or monitoring intelligence work.

Officials View Woolsey's Report on Russian Crime

MK2204093094 Moscow KOMMERSANT-DAILY in Russian 22 Apr 94 p 14

[Svetlana Reyter report: "CIA Director Report. Russian Crime Assumes International Scale"]

[Excerpts] "The increasing number of Russian criminal groups is becoming a global criminal problem that undermines President Boris Yeltsin's reform program, whereas a growth in the Russian drugs mafia is becoming a serious international threat," CIA Director James Woolsey said 20 April. [passage omitted]

Nikolay Osipov, deputy chief of the Russian Internal Affairs Ministry's administration for the struggle against illicit drug trafficking, has told your KOMMERSANT-DAILY correspondent that his agency does not fall under the CIA's jurisdiction, so the CIA chief has no right to set any requirements for it. He disagreed with a passage of James Woolsey's statement about the Russian drug mafia's assisting Colombian and Italian groups. When asked about the quality of his administration's work, Mr. Osipov declined to respond.

Officials at the Russian Foreign Ministry's Press and Information Department told your KOMMERSANT-DAILY correspondent that they do not see James Woolsey's report as intervention in Russian internal policy. In the view of department staffers, all that was said in the report about corruption among government employees was the author's insinuations, because he "has not caught anyone from the Russian government red-handed, nor does he accuse anyone specifically."

Yuriy Kobaladze, chief of the Russian Foreign Intelligence Service [FIS] press bureau, sees the CIA chief's report as very competent and approves of his stance on the Russian internal situation. In Mr. Kobaladze's opinion, the facts used in James Woolsey's report largely coincide with what has been reported in open documents drawn up by the Russian authorities, which have been fairly widely publicized. When asked by your correspondent whether the FIS considers this report as improper with regard to the Russian Government, Mr. Kobaladze responded that "the FIS also affords itself to assess actions by the U.S. Government. James Woolsey's statement should be seen only as an attempt to help the Russian Government, not to accuse it."

Tajikistan Could Become Third Member of Ruble Zone

PM2104123794 Moscow IZVESTIYA in Russian 20 Apr 94 p 3

[Boris Vinogradov report: "Tajik Rubles Printed in Russia"]

[Text] The Russian Main Administration for the Production of State Bank Notes, Coins, and Medals [Goznak] has printed off 330 billion rubles [R] especially for Tajikistan. In outward appearance these banknotes differ little from those circulating in Russia. National symbolic elements give them the function of "purely Tajik money."

As reported to IZVESTIYA at the Central Bank, these new bills will be issued to the client in May or June and they will become the basic means of payment on the republic territory. In point of fact we are talking about an actual national currency "in ruble form," but the intergovernmental agreement indicates that it is to play the role of a "transitional monetary unit."

The reference here is to an indefinite transition period during which Dushanbe is expected to prepare its economy and its approach for entry into the ruble zone. According to Viktor Chernomyrdin, Tajikistan could become Russia's second partner in the currency union after Belorussia [Belarus]. In spirit Dushanbe has long been ready for such a partnership. Unlike other CIS countries, it never left the ruble zone, nor did it try to introduce its own currency, even ignoring IMF recommendations.

In June 1993, when Russia introduced new money and the Asian CIS countries introduced their own currencies, Tajikistan became a dumping ground for old-style rubles which had lost their purchasing power. Hot money made its way into the Tajik market from Uzbekistan, Kazakhstan, and Kirghizia [Kyrgyzstan]. In January this year Dushanbe received R70 billion in new banknotes out of R120 billion in credits offered by Russia on the security of part of its gold reserves and controlling packages of shares in a number of industrial facilities, including the Nurek Hydroelectric Power Station. Some R350 billion in old money accumulated by Tajik branches of the Savings Bank became worthless.

The republic ended up on meager currency rations. Out of some 90 billion new rubles brought into circulation, a little over 10 percent returned to the bank. A certain amount stayed in the population's pockets, but the majority flowed into Uzbekistan. Uzbek entrepreneurs found their feet instantly, organizing a huge market in cheap food on the border with famished Tajikistan.

Tajik Premier Abdujalil Samadov acknowledged the senselessness of a ruble injection into the local economy and expressed support for the introduction of coupons. Now this role will be fulfilled by paper currency with special markings. These will circulate on an equal footing with Russian rubles, and they will be exchanged at a rate of 1:1.

Moscow has not recognized the old money deposited in Tajik enterprises' accounts, totaling around R200 billion in all, since 1992 and does not accept them as a means of payment. It emerges that, by bringing the new denominations into circulation, Russia is simultaneously depriving the Tajik economy of this sum. The fate of the "leftovers" now depends on whether or not Tajikistan can demonstrate the viability of the new ruble which has become the bulwark of the financial system, or whether it will meet the fate of its predecessor.

Yeltsin Insists on Signing Agreements With Latvia

LD2104213494 Moscow INTERFAX in English 1817 GMT 21 Apr 94

[Text] During his telephone conversation with Latvia President Guntis Ulmanis Thursday, Russian President Boris Yeltsin confirmed that Moscow still insisted on signing the entire package of agreements on Russian troop withdrawal from Latvia.

The head of the Russian delegation to the talks with Latvia, Ambassador Sergey Zotov, told Interfax that the main Russian-Latvian treaty providing for the withdrawal date might be signed only if all the other three agreements, in the first place that on social guarantees for Russian military pensioners and their families residing in Latvia, were signed at the same time.

The Russian diplomat said that the summit could be held in the near future, as soon as Latvia was ready to sign all the four agreements at the same time.

The package includes the main treaty setting the withdrawal date as August 31, an agreement on the functioning of a radar station in Skrunda for another five and a half years, another one on social guarantees for Russian servicemen for the withdrawal period and the other one on social guarantees for Russian military pensioners.

The Latvian leadership declared its readiness to sign the first three documents, though it has been opposing the signing of the agreement on military pensioners.

Chernomyrdin, Germany's Rexrodt Discuss Economic Ties

LD2104144994 Moscow ITAR-TASS in English 1413 GMT 21 Apr 94

[By ITAR-TASS correspondent Nikolay Kalintsev]

[Text] Moscow, April 21 (TASS)—Russian Prime Minister Viktor Chernomyrdin met with visiting German Minister of Economics Guenter Rexrodt on Thursday to discuss prospects for economic cooperation between Russia and Germany.

In an interview with ITAR-TASS, Rexrodt said they discussed joint projects, all in all 15, ways to boost bilateral trade and increase german investments in Russia. Special attention was paid to the creation of a favourable climate for German investors. However, this will require the Russian parliament to adopt certain laws, he added.

The German minister believes that economic issues will feature prominently during Russian President Boris Yeltsin's upcoming visit to Germany scheduled for May. Some of the projects that were discussed today will be considered by Yeltsin and German Chancellor Helmut Kohl in Bonn. It is unclear as yet whether or not cooperation agreements will be signed during his visit. It is much more important that the talks in Germany should give a new impetus to bilateral economic relations.

Germany welcomes Russia's willingness to conclude an agreement on partnership and cooperation with the European Union. However, this will take some time as it is necessary to take into account the interests of eu countries and meet some conditions, including adopt certain laws in Russia, the minister said.

Rybkin Meets With Turkish Defense Minister

LD2204102994 Moscow ITAR-TASS in English 1008 GMT 22 Apr 94

[By ITAR-TASS]

[Text] Moscow April 24—The possibility of regulating conflicts in the Caucasus region and the Balkans is one of the many things which demands close cooperation between the Russian Federation and the Republic of Turkey, firmly declared Chairman of the Russian Duma Ivan Rybkin on Friday as he received Turkey's National Defence Minister Mehmet Gohlan.

According to the State Duma's press service, the speaker of the lower chamber of the Federal Assembly told his guest about the structure and work plans of the State Duma.

In turn, Gohlan expressed Turkey's interest in strengthening economic and military-technical ties between the two countries. The defence minister hoped to find in Moscow support and understanding of Turkey's efforts to solve its energy supply problems and desire to build heating and nuclear power plants. In addition, Turkey is looking to Russia for help in implementing a variety of projects concerning the transportation of energy resources from Russia to Turkey and transit through Turkey to other countries in the Mediterranean Sea area.

At the end of his meeting with the Turkish representative, Rybkin expressed his confidence that inter-parliamentary ties between the two countries would improve along with economic and military relations. He accepted Turkish parliamentary leader H. Cindoruk's invitation to visit Turkey at the head of an official parliamentary delegation from the Russian Federation.

Military Cooperation With Turkey Viewed

MK2204091094 Moscow SEGODNYA in Russian 22 Apr 94 p 2

[Pavel Felgengauer report in the "Neighbors" column: "The Push to the South Has Not Materialized. Russia's Military Industrial Complex Hopes To Cooperate With Turkey's]

[Text] On 20 April Turkish Defense Minister Mehmet Golhan and his Russian counterpart Pavel Grachev signed an intergovernment agreement On Cooperation on Military and Technical Matters and in the Sphere of Defense Industry. The document does not envision any specific transactions or programs. It is a framework agreement that provides legal underpinnings for cooperation.

In February, during a visit to Moscow by French Defense Minister Leotard, Russia signed the first such agreement with a NATO member country. The agreement with Turkey, however, according to First Deputy Defense Minister Andrey Kokoshin, is broader because, as follows from its title, it also provides for direct cooperation between the two countries' defense industries.

Competent sources in the Russian Federation Defense Ministry say that the Turks are interested in gaining access to some modern Russian technology in the area of creating armored hardware, rotary-wing aircraft, and aviation. At the same time, Russia would like to borrow from Turkish know-how for the benefit of the most backward sector of its military industrial complex—the electronics industry. For the last eight to 10 years Turkey has managed (mainly by using Western technology obtained within the NATO framework) to achieve fairly modern standards in military communication means and some other fields.

Combining Turkish electronic software with Russian hardware appears quite a promising idea. The end product may prove competitive, especially in "Third World" countries. Furthermore, Turkey has the largest army among NATO European member states, and therefore is itself a serious arms market. Ankara is ready today to buy Russian helicopters and armored personnel carriers because the

Turkish Army is constantly engaged in combat operations in the east of the republic, in Kurdish areas, and needs a constant inflow of new equipment.

The Turkish defense minister said that "our good-neighborly relations have grown into friendship, including between armies." Yet not everything is that cloudless. Moscow is persistently urging a revision of the flank quotas (the numerical limitations on heavy weapons of the Russian Army and Internal Affairs Ministry troops in the Caucasus and in the Leningrad Military District), envisioned under the 1990 Paris (CFE) Treaty and the 1992 Tashkent Treaty. The unstable situation in the Northern Caucasus and the Transcaucasus has compelled Moscow to reinforce its troop grouping in the region but Turkey, rather sharply, blocked all attempts to have the quotas revised. In the Northern Caucasus and the Transcaucasus Moscow's and Ankara's strategic interests have often clashed in the past two years. The idea of creating a chain of permanent Russian military bases along the former Soviet-Turkish border is not evoking any enthusiasm in Turkey either.

On 24 April, during "one to one" talks between the Turkish minister and General Grachev, the quota problem will apparently be discussed in earnest, but the possibility of a compromise being reached does not look too realistic so far. The flank quotas under the CFE Treaty are to take effect in 1995: Not much time is left. The good-neighborly cooperation between the two military industrial complexes could be scaled down having barely started.

Foreign Ministry Spokesman Views 'Arafat Visit

LD2104195694 Moscow Radio Moscow in Arabic 1500 GMT 21 Apr 94

[Report on news conference by Russian Foreign Ministry Spokesman Mikhail Demurin in Moscow on 21 April; Demurin in Russian with superimposed Arabic translation; Demurin remarks recorded]

[Text] Ladies and gentlemen: the official spokesman for the Russian Foreign Ministry, Mikhail Demurin, today held a news briefing for local and foreign journalists and talked about Yasir 'Arafat's first official visit to Moscow and said:

[Begin Demurin recording] In the framework of his busy schedule, Yasir 'Arafat met President Boris Yeltsin, Foreign Minister Kozyrev, Duma Speaker Rybkin, Interior Minister Yerin, and the Patriarch of Moscow and All Russia, Aleksiy II. During this visit, a Russian-Palestinian agreement of cooperation in the cultural and educational field was signed. A detailed discussion took place in Moscow on matters related to the development of the peace process in the Middle East, particularly the situation surrounding the Palestinian-Israeli talks. A great attention was devoted to the development of Russian-Palestinian relations.

Yasir 'Arafat expressed his deep concern over the state of the Palestinian-Israeli talks since this situation has prevented the signing of a final agreement on Palestinian autonomy in Gaza and Jericho. Yasir 'Arafat also expressed his deep concern over the increasing tension in the occupied territories where the wave of violence and terrorism continues unabated. The Palestinian leader hailed Russia's efforts in helping the Palestinians and the Israelis reach an agreement on the controversial issues on which the progress of the peace process depends on the whole.

Yasir 'Arafat also welcomed Russia's active diplomatic role in Middle Eastern affairs. The Russian side reiterated its firm intention to help the PLO and Israel reach agreements on Palestinian autonomy and continue efforts to ensure stability in the occupied territories, establish peace, and guarantee security in the Middle East.

The Russian Foreign Ministry considers Yasir 'Arafat's visit useful. Mikhail Demurin said at his news briefing today that Yasir 'Arafat's arrival in Russia was timely in view of the current responsible and crucial phase in the Palestinian-Israeli talks in particular and the peace process in the region in general. He added: Russia is determined to play its role with responsibility as one of the co-sponsors of the peace process. We should bear this in mind when considering the Israeli prime minister, Yitzhaq Rabin, is due to visit Moscow at the invitation of President Boris Yeltsin. [end recording]

Then the Foreign Ministry spokesman replied to a question from a Moscow reporter on the aid Russia will be offering towards the creation of a Palestinian national police and a security department and said:

[Begin Demurin recording] The talks between Yasir 'Arafat and Russian President Boris Yeltsin dealt with the possibility of offering a material contribution from Russia towards the setting up of structures for Palestinian autonomy, including a police and security force. The Russian side has agreed in principle to contribute by supplying the Palestinian police and security force with equipment. It has also been agreed that the issue will be examined in detail by experts as soon as possible. [end recording]

Demurin added that Yasir 'Arafat had expressed his thanks for this position on ways to resolve one of the important issues of Palestinian autonomy.

'Arafat Sees 'Differing' Views as Strength

PM2104151694 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Apr 94 p 7

[Dmitriy Kulik and Sergey Postanogov article: " 'Arafat Is Small But Smart"]

[Text] The visit to Moscow of Yasir 'Arafat, PLO Executive Committee chairman and president of the state of Palestine, has ended.

The main topic of the talks was, of course, the problem of the settlement in the Near East. 'Arafat emphasized that in spite of all the cosponsors' attempts to breath life into the Near East process, the peace negotiations have failed. The Israeli side is constantly maneuvering and trying to drag out the period for withdrawing its troops from the occupied territories, which, in his opinion, gives extremists from both sides opportunities to undermine the peace process for once and for all. If they succeed in doing this, the PLO leader stated, then complete anarchy and the region's Balkanization are inevitable.

On the subject of specific issues, it is necessary to point out that during the talks Boris Yeltsin gave instructions to prepare a Russian-Palestinian agreement on cultural cooperation. It is also not ruled out that the Russian side will assist in the formation and training of a police force in the future autonomous entity.

But the problem is, as we know, not only relations between the Palestinians and the Israelis but also the PLO's struggle with such extremist organizations as Hamas. In reply to our question about how 'Arafat intends to find a common language with the radicals if they continue to ignore the peace initiatives, he said that democracy presupposes the existence of various points of view. The PLO leader added that points of view differing from his own with regard to various problems were "not a weakness but a strength."

'Great Significance' Attached to Panamanian Visitor

LD2104171894 Moscow ITAR-TASS in English 1513 GMT 21 Apr 94

[By ITAR-TASS diplomatic correspondent Andrey Golubov]

[Text] Moscow April 21 TASS—Great significance is being attached to the Panamanian Foreign Minister Jose Raul Mulino's forthcoming Moscow visit, which begins on April 25, in both Russia and that Latin American country, the Russian Foreign Ministry spokesman Mikhail Demurin said at a briefing today.

According to the Foreign Ministry spokesman, a number of bilateral documents are expected to be signed during Jose Raul Mulino's visit. They will form a legal basis for cooperation and give a much needed impulse to Russian-Panamanian interaction in different spheres, he said.

When ITAR-TASS asked whether recent frequent visits to Moscow by representativies of Latin American countires are coincidental or testify to the activization of Russia's Latin American foreign policy, Demurin noted that the Russian Foreign Ministry strives to be equally active and dynamical in all directions. "Being a great power, we cannot put on the brakes or step on the gas or dash off to one or the other region," he emphasised.

LDPR Official Gives Account of DPRK Trip

MK2104131094 Moscow KOMMERSANT-DAILY in Russian, 21 Apr 94, p 4

[International Affairs Department report: "LDPR Reports on North Korean Trip. Zhirinovskiy's Falcon Did Not Singe His Wings In the Rays of Two Suns"]

[Text] The Liberal Democratic Party of Russia [LDPR], the Social Democratic Party, and the Workers' Party of the DPRK will now jointly resist "U.S. expansion." This was said at a press conference by LDPR deputy chief Aleksandr Vengerovskiy, who has just returned from the DPRK.

Mr. Vengerovskiy made his contribution on behalf of the LDPR to the all-people's rejoicing on the occasion of the 82d birthday of Great Leader Kim Il-song, who was handed a samovar with Palekh painting as a birthday present. Even the universal joy, however, did not help Mr. Vengerovskiy prod his North Korean friends into conceding whether they have a nuclear bomb or not. When asked bluntly, "Do you have it?," the top brass, making round eyes, said: "We do not know." They acknowledged, however, that work on delivery vehicles (missiles) is under way. Nor did he manage to find out the reason for the absence of the Beloved Leader and Great Commander—Kim Chong-il—from the festivities. In response to all his questions he was told that "two suns cannot shine together" or, more prosaically, "he is busy."

Diplomat Praises Japan's Hata for Promoting Ties

LD2204102394 Moscow ITAR-TASS in English 0938 GMT 22 Apr 94

[By ITAR-TASS diplomatic correspondent Nikolay Geronin]

[Text] Moscow April 22 TASS—A high-ranking Russian diplomat praised Japanese Foreign Minister Tsutomu Hata, who has been nominated for the post of the prime minister, for promoting normal relations with Russia.

"The Russian side considers that relations with Japan are developing normally, at a good speed. This is a big merit of Deputy Prime Minister and Foreign Minister Tsutomu Hata", Director of the Asian Department of the Russian Foreign Ministry Nikolay Solovev told TASS on Friday.

He added that Hata had supported Russian reforms during his recent visit to Moscow. Our two countries, he said, should proceed in developing relations which will give a possibility of solving problems on which it is hard to reach agreements so far.

A new Japanese prime minister is expected to be elected by parliament on Monday. The ruling coalition which nominated Hata has a majority of 265 out of 511 seats in the House of Representatives.

Political & Social Issues

Duma Debates 'New' Civic Accord Draft

LD2104151394 Moscow INTERFAX in English 1127 GMT 21 Apr 94

[Text] State Duma deputies received Thursday the second version of the Civic Accord draft developed by a working group created by Russian President Boris Yeltsin. The new draft removes the thesis on non-utilization of assessments of the events of August 1991 and September 1993 as factors behind heightened social confrontation from the political section of the first draft.

The provision committing parties to the agreement to refrain from amending the Constitution in such a way as to destabilize society is retained. However, the new document does permit conciliatory procedures to draft amendments and additions to the Basic Law in the interests of strengthening human rights and improving the system of power division, local government and the development of federalism.

The new document, in contrast to the original, specifies the commitments of state authorities in politics and economics.

For instance, the Federation Council and State Duma must, in the short term, pass legislation governing elections, and laws on referendums, parties, the rights of citizens to form associations, and the procedure for holding demonstrations and other public and politically-orientated events. The two parliament chambers are also responsible for the creation of a legislative base to overcome the social and political crisis, including by means of passing a Constitutional Law in the next six months on the government, a Budget Law, Civil and land codes and a number of other acts.

In turn, the government is bound by the draft to bring inflation down in 1994 and guarantee financial stabilization. It will attract more investments and create a platform for economic recovery. It will ensure that the principles of social partnership and other aspects of the country's life are applied.

Regarding national security, the document contains new provisions on the joint responsibility of the president, the Federation Council, the State Duma and the government to reform the law and order bodies. The draft also recommends that the speakers of both chambers of parliament take an active role in the work of the Russian Security Council and involve representatives of the relevant committees of both chambers in the interdepartmental Security Council commissions.

Provisions on accountability for violating the Treaty are have been reworded and amplified: now, according to the document, the Conciliatory Commission of authorized representatives of the president, the government, the chambers of the Federal Assembly, State Duma fractions, the Public Chamber under the president, and trade unions will "ensure that the provisions written into the acting Document are observed." In the original, the Conciliatory Commission had the right to raise the issue of removing the signature of any party to the Accord discovered to have violated the said agreement and may use the mass media as a means of informing the nation of such violations. It may also propose measures concerning the political accountability of such persons "including their dismissal from office or stripping of their deputy's mandate."

The document includes a new section on the procedure for signing the Accord, which the working group explains as follows: the Accord is signed by the president, the speakers of both chambers of parliament, the head of government, the leaders of constituent members of the Federation, and by authorized representatives of political parties in the State Duma, the presidential Public Chamber and trade unions "after which the Accord will be open for signature by other parties."

Filatov Urges Signing

LD2104152994 Moscow ITAR-TASS in English 1301 GMT 21 Apr 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow, April 21 (TASS)—Those who wish to frustrate civic accord demand that the signing of the civic accord agreement fixed for April 28 be put off. This view was expressed by Sergey Filatov, chief of the Russian president's administration, at a meeting with chief editors of the Russian media in ITAR-TASS news agency on Thursday, the day the agreement is discussed at a meeting of the State Duma.

Filatov said that 50 telegrams from chiefs of Russian regions who are ready to sign the agreement without any reservations had been received in the Kremlin by now. He said the text of the document had been supported by 12 trade union leaders, all religious confessions, the Russian Academy of Sciences, the Council of Veterans and other public organisations. Chiefs of administrations of a number of territories and regions, as well as leaders of some parties, sent to the president's apparatus their proposals and remarks to the text of the document which are discussed by the working group headed by director of the institute of state and law of the Russian Academy of Science, Boris Topornin. Filatov noted that the presidential administration does not interfere in the activity of the group for perfecting the draft agreement and brings no presure on it whatsoever. He said the opposition took advantage of the pause in the preparation for the signing of the civic accord agreement. Therefore he believes that the document should be adopted before May 1 and that as many signatories as possible should be involved.

RMDR Seeks Revisions

LD2104195594 Moscow INTERFAX in English 1409 GMT 21 Apr 94

[Text] The Russian Movement of Democratic Reforms (RMDR) "approves both the basic ideas and the principles" of the president-presented draft Agreement on civic accord in Russia, however, it "cannot sign it" until the document is "substantially revised and supplemented, especially with respect to the actions of the government," chairman of the RMDR Gavriil Popov declared at a press conference on Thursday in Moscow.

In his opinion, it is "harmful" to include the obligations to observe the RF Constitution into the text of the document because "this allegedly gives the right not to observe the Constitution to those who do not sign this document." Popov believes that the draft is saturated "with promises, statements of intent, and declarations" which have much in common with "the CPSU Central Committee appeals on May 1," said Popov.

One can voluntarily oblige oneself to temporarily not use the rights granted by the Constitution, for example, the right to urge early elections, only in the case "if it is clearly and precisely stated for what sake the participants of the agreement are abstaining from these or those rights." To this effect Popov noted that the draft document "does not contain any precise or concrete program of actions with determined dates which are also coordinated between major participants of the agreement." "There are practically no concrete obligations in the agreement, namely to lower taxes by so-and-so percent, to ensure such-and-such a rate of inflation, etc.," he said. He drew attention to the fact that "the draft does not contain any obligations of the government to resign and the State Duma's obligations to announce about its self-disbandment in case it fails to fulfill concrete obligations in concrete terms."

According to Popov, "the activity around this document disorients Russia's peoples, creating an illusion of progress." He warned that the Agreement "could be a trap into which the president and his advisers are being driven."

Responding to Interfax, Popov reported that the majority of the members of the movement's political council which is to finally determine the RMDR position adhere to the same point of view.

Russia's Choice Chair on 'Confrontation'

LD2104210294 Moscow INTERFAX in English 1817 GMT 21 Apr 94

[Text] If the opposition forces refuse to sign the treaty on Civil Accord, this will be a "political victory" for the democrats since society will see who is seeking accord and who confrontation. This statement was made by deputy chairman of the Russia's Choice faction, Boris Zolotukhin, at the faction's meeting. Russia's Choice leader Yegor Gaydar stated on behalf of the faction in the State Duma today that the faction was prepared to sign the document.

Russia's Choice member Yuliy Rybakov suggested that the State Duma would not give State Duma Speaker Ivan Rybkin a mandate for signing the agreement proposed by the president. Liberal Democratic Party (LDP) leader, Vladimir Zhirinovskiy, has insisted that the State Duma take a vote on whether Rybkin be granted the right to sign the document on its behalf. Zolotukhin was certain that if the State Duma did not give the appropriate authority to Rybkin this would expose the Duma's majority as a force not seeking stabilization of the situation in society.

Deputy Bella Denisenko said the draft agreement provided for nothing except the idea of accord itself and the faction would have to sign just the title since there were no real moves towards accord mentioned in the document. She said that the document had already worsened the situation and brought different political forces into confrontation.

Former social security minister, Ella Pamfilova, recommended that the faction seriously speak to the president in the presence of all members of Russia's Choice. She said it was not clear what the president sought and in what the faction should back him and whether Boris Yeltsin needed this support.

Nationalist 'Accord' Elicits 'Wide Response'

PM2104103794 Moscow PRAVDA in Russian 20 Apr 94 p 1

["Own Information" report: "Friends of 'Accord'"]

[Text] The publication of an appeal by the initiators of the "Accord for Russia" movement has elicited a wide response in practically all parts of the Russian Federation. This is borne out by the mail addressed to Valeriy Zorkin, Gennadiy Zyuganov, Mikhail Lapshin, Aleksandr Rutskoy, Sergey Glazyev, and the other cofounders. They receive more than 500 individual and collective letters every day.

The call to unite patriotic forces has already been supported in official statements by more than 6,000 labor collectives, villagers, students, and even groups of senior pupils. They are all prepared actively to promote the movement's noble aims and to set up organizing subdivisions in the provinces. The ideas of accord and of strengthening the Russian State are becoming a consolidating factor for people of not only different ages but also professions and political orientations, even including voters who recently supported "Russia's Choice."

The largest number of proposals to set up "Accord for Russia" organizing groups has come from Altay and Krasnoyarsk Krays and Volgograd, Leningrad, Moscow, Nizhniy Novgorod, Novosibirsk, Samara, Saratov, Smolensk, and Chelyabinsk Oblasts. The movement's ideas have also been supported in the Russian Federation republics. The influential public organization "Citizens of Mordovia for Social Justice, Legality, and Economic Stability" plans to examine the question of joining the movement at its next congress.

Yeltsin Meets Leaders of 'Component' Republics

LD2104190994 Moscow ITAR-TASS World Service in Russian 1729 GMT 21 Apr 94

[Text] Moscow, 21 Apr (ITAR-TASS)—Today Boris Yeltsin had a meeting with leaders of component Russian republics. The participants at the meeting expressed support for the prompt signing and conscientious implementation of the agreement on civic accord, and they adopted a corresponding statement to this effect. They noted the importance of constructive cooperation between all political forces and all federation subjects to solve the problems presently facing the country.

The president noted that the present Constitution creates a firm basis for the implementation of all natural rights and interests of republics without detriment to the unity and prosperity of our common fatherland, the Russian Federation. Also discussed were the basic principles of the federal center's regional strategy and problems of regional policy and interregional integration.

The participants at the meeting exchanged views on a number of economic issues. The president devoted special attention to the problem of mutual relations between federal and regional bodies of authority in the budgetary sphere, and specified the tasks republican leaders face in overcoming the non-payments crisis and stabilizing the economic situation.

ITAR-TASS was informed of this today by the Russian president's press service.

Further on Meeting

LD2104172194 Moscow INTERFAX in English 1608 GMT 21 Apr 94

[Text] President Boris Yeltsin is meeting with heads of the Russian Federation's republics in one of his residences southwest of Moscow Thursday. Opening the meeting, Yeltsin pointed out that the old tradition of meetings with heads of the republics is being revived. "We plan to hold such meetings five to seven times a year," he said. "Such a meeting is being held for the first time after the adoption of the Constitution and elections to the Federal Assembly. In the past months a lot of changes have taken place, political stabilization is gaining momentum. The ruinous division of power has been overcome."

Yeltsin particularly noted that he "practically has no differences" with the speakers of the Federal Assembly Chambers Ivan Rybkin and Vladimir Shumeyko with whom he has been meeting on a regular basis. Yeltsin said that after adopting the constitution, new federative relations started to form. Out of 88 subjects of the Federation, the elections took place and "were registered" in 61, and 17 subjects did not gather the necessary number of votes. Yeltsin expressed hope that elections to local bodies will be fully completed this year. Then a full balance of powers will be established, the president noted.

Nemtsov, Muratov Interviewed

LD2104153894 Moscow INTERFAX in English 1223 GMT 21 Apr 94

["Exclusive" report No. 16(66) of April 1994]

[Text] **TWO VIEWS FROM THE VOLGA ON RUSSIAN FEDERAL MATTERS**

GOVERNOR OF NIZHNIY NOVGOROD: THE SEPARATION OF POWERS SHOULD BE BASED ON THE EQUALITY OF ALL FEDERATION MEMBERS

The governor of Nizhniy Novgorod region BORIS NEMTSOV, 34, who until recently was also the presidential representative in the region, belongs to the younger generation of Russian politicians whom analysts consider candidates to the highest posts in future Russia. Several months ago he told Interfax-Exclusive about the distinctive features of the Nizhniy Novgorod pattern of transition to a free market economy. Now he answers questions from Interfax once again.

INTERFAX: What do you think of the current economic policy of the Russian government?

NEMTSOV: I think that in their latest speeches the president and prime-minister made points that are correct from the viewpoint of the current situation and gave the guidelines. They are determined to pursue a policy of restraining budget spending, offering social security to people in the low-income bracket, restructuring the economy, stabilizing the financial situation and observing reasonable protectionism. However, guidelines are not a program of action which implies concrete decisions: presidential decrees, government resolutions - these are few so far. I have the impression that the government does not have a detailed program, but a declaration of intentions, good as they can be. For example, how is the idea of building a competitive market compatible with increasing customs tariffs on imports? And what can one say of the agricultural policy of the government, if on the one hand, it approves the Nizhniy Novgorod pattern of land privatization and on the other, decides to form a superholding company in Tula region? I think that despite the attractiveness of the proclaimed ideas, it is premature to speak of a clear economic policy of the cabinet - it is only in the making.

INTERFAX: Do you see any change in the intentions of the cabinet, if not in its policy?

NEMTSOV: So far I see the determination of Prime-Minister Viktor Chernomyrdin to continue reforms, in agriculture for instance. It is reassuring that he has clearly realized the danger of hyperinflation and contrary to the accusations by former cabinet members he is not giving out money just to anyone.

INTERFAX: What do you think is keeping the current cabinet from more resolute actions?

NEMTSOV: One gets the impression that there is no one in the prime-minister's team capable of forecasting the consequences of decisions. If the political resolution of Chernomyrdin is backed by concrete and correct actions, by professional experts, the government has a future.

INTERFAX: How much do the reforms in Nizhniy Novgorod fit in the general picture of Russian changes? Do you have any differences with Moscow?

NEMTSOV: No, there is no such problem. There are no obstacles to economic reforms in our region: the federal government regards our initiatives with approval. The big companies are federal property, though, and they follow the rules of the federal government, therefore our interference in their operation is minimal. It would be good if we were allowed to reform such important fields as oil refining, oil supplies and engineering. But I realize that this is the prerogative of the federal authorities.

INTERFAX: Does your region need a special status, offering additional powers for the success of reforms?

NEMTSOV: No, we do not need one, the rights we have today are quite enough.

INTERFAX: What do you think of the treaty between Russia and Tatarstan on are the separaiion of powers?

NEMTSOV: I closely studied it and did not see any exceptional powers given to Tatarstan that would lie outside the federal constitution. But political life is very complicated and much depends on the name of the document. I this case I find it absolutely unacceptable. Tatarstan is a member of the Russian Federation, hence the treaty could have been entitled differently, for instance, a treaty on the separation of powers between a member of the Russian Federation, the republic of Tatarstan and the government of Russia. But evidently for Kazan the name was the key matter. And this is one of the unpleasant compromises.

INTERFAX: Which of its clauses do you find positive?

NEMTSOV: I think the text itself is going to be very useful for offering concrete contents to Articles 72 and 73 of the federal constitution. In my opinion the treaty with Tatarstan can become a model agreement on the separation of powers between the federal and local governments. By the way, such documents are already being drafted at instructions from the government.

INTERFAX: Is your region ready to sign such a document?

NEMTSOV: If the question emerges, the region is ready to do it among the first ones. I have no objections. Still I think that the objective process of the separation of powers should be based on the equality of all federation members. Inequality might turn Russia into a shapeless structure.

INTERFAX: Do you mean that treaties with all regions should be signed simultaneously?

NEMTSOV: Yes. Here I support Prime-Minister Chernomyrdin. But first the general rules of separating powers should be formulated. Particulars can be described in separate supplements. In this context the treaty with Tatarstan seems to play a positive role as a model, but on the other, it is an unpleasant example: the one who acts fast, is going to get more rights.

INTERFAX: Ominous forecasts are made about the consequences of the amnesty declared by the State Duma. How grounded do you think they are?

NEMTSOV: I think that the hullabaloo raised over the matter is incomparable with the possible consequences. It is a pity, of course, that an honest person (Aleksey Kazannik - Interfax) was forced to resign from the post of Prosecutor General. But the amnesty itself should not be dramatized. It will not have any serious consequences. The coming changes, primarily in the economy, is what determines things for Russia, not the number of detainees or convicts released. I am convinced that such things as the collapse of the industry, the snowballing of crime, the disintegration of production are much more dangerous for the stability of the country than the participation of some former convicts in rallies and demonstrations.

INTERFAX: But they are not planning to give up politics.

NEMTSOV: Evidently the persons who were set free as a result of the amnesty have passed the peak of their political career even though many of them think they have everything ahead. Take, for example, one of the contenders for presidency Aleksandr Rutskoy. I do not think he is going to find a platform with which he could win the elections because his political niche has been occupied partly by the Democratic Party of Nikolay Travkin, partly by the Liberal-Democratic Party of Vladimir Zhirinovskiy, partly by the Communist Party of Gennadiy Zyuganov. Their political ambitions will not permit them to give up their positions. As for the others, they did not noticeably influence the Russian political scene even earlier.

INTERFAX: You are known to have been active in the defence of the White House during the abortive coup in August 1991. What is your attitude to the release of the coup leaders?

NEMTSOV: Pragmatic. Evidently those people were guilty: I saw with my own eyes how they sent tanks to Moscow. But as a politician predicting the consequences of the steps taken by the Russian leadership I think that the release of Kryuchkov, Pavlov and other coup leaders will not influence the situation in the country in any way. These people will only join the irreconcilable opposition without becoming its leaders though. I would want to single out another aspect of the problem: the amnesty relieved of responsibility the organizers of the tragic events in October 1993 "on both sides". I do not think the State Duma did reasonably when it refused to investigate the circumstance causing human losses. That is not in parliamentary traditions. One gets the impression that the amnesty is beneficial only for the opposition.

INTERFAX: What do you think of the idea of a memorandum on civic accord in Russia?

NEMTSOV: I do not think that my viewpoint coincides with the official one: to my mind the effort is totally lost. Russia approved such documents and memorandums back in the days of Ruslan Khasbulatov (the speaker of the last Supreme Soviet). Their historic value was minimal because they are not legally binding for their parties. On the other hand, the move can be supported as an initiative which at least morally binds the sides to refrain from destructive actions. But I think it is very naive to hope that after signing the memorandum civic peace is going to reign in Russia.

TATAR GOVERNMENT ACCUSED OF OBSTRUCTING REFORMS

Tatarstan has won greater economic independence after signing a treaty and package of agreements with Russia. In the two years of talks and the republic's insistence on a special status, Kazan has had an opportunity of embracing economic policies distinct from the center's. To what extent did Kazan avail itself of that chance? Tatar Vice Premier Ravil Muratov was airing his view on this and other questions in a recent interview with Interfax.

INTERFAX: Many say the advantages of Tatarstan's choice of a softer transition to market are obvious: the government has managed to an extent to cushion off the shock from price liberalization and halt production slump in the farming sector. But all of those measures were taken at the cost of the budget and oil exports. The non-payment crisis and a fall in world oil prices have put to question those two sources of financing. What are the prospects awaiting the Tatar economy?

MURATOV: Regrettably, the government has virtually missed a range of promising economic development programs by focusing on social programs and propping the countryside or in other words, by fighting for the republic's survival. True, oil revenues did help to stave off an economic collapse to an extent. But relative stabilization of the economy must be seen as the starting point for reforms, above all in financial, tax and land reform. Tatarstan was one of the first to introduce bills of exchange in an effort to ease the crisis of non-payment and a lack of federal credits. But the local banks, and above all, the National Bank, have obstructed the measure. The National Bank preferred cash operations and making high profits for the Central Bank of Russia rather than dealing in securities. Nor was the measure accepted by enterprises. Kazan has lost both its chances and time. Russian banks which have begun to circulate bills of exchange are faring far better than we did. We have now started falling behind some neighboring regions which are fleshing out their own programs. In the meantime, local enterprises which are stuck in a mire of non-payment have been stubbornly holding back to old ways of account clearing. The government is having to allocate billions of rubles to Nizhnekamsneftekhim company to rescue Tatneft oil producer. But the trouble is, state companies are interlinked. While we think of appeasing oil producers until the petrochemical industry has sold its product, both of the sectors prefer to pile up their own debt.

INTERFAX: Where does the money come from to be able to sustain such plans?

MURATOV: The government takes up costly social programs which in itself is positive. But the impression is we do not at all care how to raise money. In the first place, the question is one of the budget itself. Who will pay taxes? State companies heavily indebted to each other can ill afford to do so. The burden of tax on the private sector weighs so heavily that the only option is to roll back production. Most of the collective and state farms depending on government subsidies are loss makers. In the meantime, we are wasting time and missing opportunities of embracing reforms at a least possible cost.The federal government continues to pour in billions of rubles to back up loss making farms at a time when it must carry out land reform, declare private ownership of the land as written down in the constitution and transfer it to those who can till it at a profit. Russia has no concept of land reform or promotion of private farming. As a result, the market and state price of meat is almost the same, but the situation is likely to worsen as time goes by. The government will have to spend trillions rather than millions of rubles in autumn when the harvest season is over. What sort of budget must there be to sustain such expenditure? What is needed is government support for those who are willing and able to work the land efficiently instead of subsidizing the bankrupts.

INTERFAX: Was there anything to prevent the government from drafting its own program of support to private business in the countryside and urban areas? Nizhniy Novgorod region has less powers than Tatarstan and yet its model of land reform is recommended as an example to follow. Its Governor Boris Nemtsov did not seek a greater say in export policies and yet, the West appears to be willing to invest in the regional economy and small size businesses there.

MURATOV: I should have thought it is our stuck in the mud approach, caution and a desire to avoid mistakes of the federal reform that are in the way. Despite its verbal support for small and medium size businesses, Kazan has taken no real steps to do so. A year ago, it was clear that conditions and benefits must be set for the priority development of infrastructures for business, banks, leasing, marketing and brokerage firms. Despite high interests, many of the smaller and medium size are on the brink of bankruptcy, a situation that is barely conducive for industrial development. Nor can exorbitant taxes help create a climate for business activity. One can hardly hope for the emergence of a middle class at a time when traders and businessmen are widely regarded as criminals. The Tatar parliament behaves in a conservative way by banning plant managers to engage in private business or proposing to close private kiosks.

INTERFAX: Surely, Kazan's independence in export trade should give it greater financial opportunities?

MURATOV: Much of it is still on paper. We still have to fight to get it. One example. The federal fuel and energy ministry has transferred exclusive rights for shipment and exports of crude oil through Odessa port to the Russian Koneks firm in violation of agreements with Moscow and Kiev on a free flow of goods through both countries. Tatarstan is entitled to conduct its own export policies but attempts are being made to dictate terms to Kazan including import and export taxes set by the federal government. What sort of guarantees for repatriation of capital could the Tatar government possibly give to foreign investors in a situation such as it is now? Worse still, higher import tariffs have wrecked some of the government programs. We are now unable to import telecommunications equipment into the republic. Away from doom and gloom, assertions about Tatarstan's economic prosperity are not true. Even if its economic indicators are a bit better than those of Tatarstan's neighbors, there must be no illusions - the republic is virtually at a standstill. Now that the treaty with Moscow has been signed, Tatarstan should avail itself in full measure of the rights provided and get all of the agreements being put in place.

Justice Minister Views Duma Lawmaking

PM2104111794 Moscow IZVESTIYA in Russian 21 Apr 94 p 4

[Interview with Russian Justice Minister Yuriy Kalmykov by Leonid Nikitinskiy; date and place not given: "What Is Stopping State Duma From Passing Laws. Our Correspondent Leonid Nikitinskiy Talks With Justice Minister and State Duma Deputy Yuriy Kalmykov"]

[Text] [Nikitinskiy] Which of your two hats would you prefer to wear as we begin—minister or deputy?

[Kalmykov] I would like to divorce the two roles. Although as justice minister I can probably see the problems in legislation more clearly than most of my Duma colleagues. Our rule-of-law area is reminiscent of the diminishing ozone layer over the earth—and saving it and launching a mechanism for reviving it will take emergency measures.

[Nikitinskiy] The Duma has been at work for four months, and not a single law in the proper sense of the word has been passed in that time....

[Kalmykov] To a certain extent this hiatus is normal since it is due to the discussion of the standing orders and other documents regulating the work of the Duma itself. At the same time, each plenary session in the Duma begins with a heated debate on the agenda which has already been approved the previous day by the Duma Council. Feelings run high, and, as a result, we are not in a position to tackle actual legislative matters. I put this down mainly to a lack of experience.

[Nikitinskiy] Experience is something you have to earn. But the first and, so far, last legislative attempt to "pass" the law on the Constitutional Court by a two-thirds vote failed for purely political reasons. For certain factions and groups in the Duma torpedoing the Constitution is a very important element of their strategy of preparing for the next elections.

[Kalmykov] Nonetheless the majority of people in the Duma, as I see it, are sensible enough to stay within the constitutional framework. This was stated by Speaker Ivan Rybkin as a representative of the majority of deputies. For its part the government and the president have enough carefully prepared draft laws in reserve that they can and should "bombard" the Duma—but the correct utilization of these drafts is being impeded by the fact that the procedure for their submission has not been regulated in detail and there are no set precedents.

[Nikitinskiy] Do you mean that there is political rivalry even in the sphere of legislative initiative?

[Kalmykov] I probably have to agree. I believe that, for instance, the president should initiate only the most important draft constitutional laws and major codified acts. The legislative initiative of factions and deputies' groups should in the course of time become more the exception, with the bulk of draft laws—as is the case worldwide—being submitted by the government.

[Nikitinskiy] As long as draft laws are being used for political advertising they will merely distract lawmakers into rehashing their deliberately unpalatable product. Yet there are many filters in different branches of power designed to prevent any "foreign bodies" from getting into the legislative apparatus....

[Kalmykov] These mechanisms often do not so much help each other by sticking to a unified strategy as produce conflicts, which creates chaos in lawmaking and a loophole for lobbyists. Answering on behalf of the Justice Ministry, I can say that, owing to apparatus intrigues, it is often bypassed and prevented from carrying out its direct duties. Our functions are expanding on paper, but other structures—primarily the State Legal Administration—are constantly infringing them.

From the very beginning, by dint of its role, this has been one of the departments at the Presidential Administration responsible for the legal side both of its own edicts and of legislative initiatives. Initially, it also included departments dealing with awards, appeals, and citizenship. These were then hived off into independent Presidential Administration structures, but the State Legal Administration was not only not cut back, it grew to an absurd size. This structure now has a staff as big as a sector ministry, but it has arrogated intersector functions to itself. You get the impression that the State Legal Administration is not controlled either by the Presidential Administration or by the president himself—not to mention the government, with which it is in constant conflict instead of organizing working contacts.

[Nikitinskiy] There are some very qualified legal specialists working at the State Legal Administration. According to lawyers, a comparison of their expertise with that of the Justice Ministry leaves the latter coming off worse.

[Kalmykov] The level of provision and benefits in that mysterious structure is an order of magnitude higher than we have. But many of them are not at all doing the job that should follow from the modest functions of the president's apparatus. When it comes to the legislative process the State Legal Administration constantly obtructs the government and even the president and torpedoes many draft laws merely because they carry an "outside stamp." We can now expect friction between the State Legal Administration and Aleksandr Yakovlev, the president's representative in parliament.

We recently received from the State Legal Administration a draft of the Labor Code with a proposal that we study it and make our comments. But how did it get there, bypassing the Justice Ministry and the government? At the same time, the draft Civil Code, on which long and painstaking work has been done by specialists at the behest of the president and the government—and that was no secret to the State Legal Administration—has gotten bogged down there "for coordination" and has not made any progress for months. This after having been approved by the government and receiving a promise from the president to support the legislative initiative. I suspect that the real reason for this delay lies once again not in the sphere of the law, but in the sphere of official ambition. In order to spite the specialists drawing up the draft Civil Code, another group of lawyers is now urgently working on the Trade Code. The draft of this code, which rivals the Civil Code, has to all intents and purposes been kept secret, and we can so far only speculate as to what it will look like. We only know that the working group is headed by Academician Vladimir Laptev, formerly a vigorous opponent of the development of trade and monetary relations in the country and an advocate of administrative regulation of the economy within the framework of the concept of so-called "economic law."

[Nikitinskiy] If the law-drafting process is such a mystery even to you, the justice minister, imagine yourself once again in an ordinary deputy's position. How can he sort all this out, what should he think?

[Kalmykov] That this is a mad house, of course....

Information Chamber Wants Editor Fired

MK2204074094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 22 Apr 94 p 2

[Unattributed report under the "Around the Clock Non-Stop" rubric: "State Duma Jeered At"]

[Text] Yesterday the Judicial Chamber on Information Disputes proposed that the founders of EKSPRESS GAZETA—KOMSOMOLSKAYA PRAVDA and the SEGODNYA group—fire the weekly's editor-in-chief, Aleksandr Kupriyanov. The reason for this disgrace was a March article about all kinds of perks enjoyed by State Duma deputies. The chamber, in the person of its chairman, Anatoliy Vengerov, deemed this publication to be "a jeer" at people's deputies.

Poll on Political, Social Issues

LD2104165194 Moscow INTERFAX in English 1225 GMT 21 Apr 94

["Viewpoint"; materials prepared by the Public Opinion Foundation, Viewpoint's sociological service, and the INTERFAX News Agency]

[Excerpts] Almost every tenth city resident of Russia pins hopes in terms of the country's overcoming the crisis, for the army, the Interior and Security Ministries.

- Those who rely on power structures are against democracy in most cases.
- About one-fourth of the polled do not know who in Russia now could be attributed to the "middle class".
- If in the United States more than 50 percent believe that the state is becoming richer as the number of rich people grows, in Russia more than 50 percent disagree with the thesis.
- If respondents can switch on Channel Four of the Russian television, more than 50 percent of them prefer to watch NTV programs and their number grows with every month.
- Even the emergence of computer games does not affect women's preferences in toys: they still believe a doll is the best toy.
- The young prefer to watch thrillers, the old ones comedies and soap operas.

RESPONDENTS SPEAK ABOUT RUSSIA'S OVERCOMING THE CRISIS

To the question: "Which bodies of power can help Russia to overcome the crisis?" the answers were the following [in percent]:

With President Yeltsin	17
With "power structures" (the army, the Interior and Security ministers)	12
With the Chernomyrdin government	7
With the State Duma (lower house of parliament)	6
With Federation Council (upper house of parliament)	2
With none of them	35
Undecided	21

Taking part in the poll held early in April, were 1040 city residents of Russia. They were also asked another question: "Does Russia need democracy?" [in percent]

Yes	49
No	24
Undecided	27

Those who pin their hopes on Yeltsin believing he may help Russia to overcome the crisis, mostly believe that democracy is needed (77 percent). Those who rely on power structures, are mostly against democracy (44 percent).

WHAT IS 'MIDDLE CLASS'?

To the question: " Who, do you think, can be attributed to the "middle class" in Russia?", the answers were the following: [in percent]

Those who have a comfortable flat, a dacha and a car	36
Those who have a comfortable flat (house)	13
Those who have a car	8
Those who have a dacha	4

Other things	11
I do not know	24
Undecided	16

If U.S. residents were asked the same question, there would be no undecided. The situation is different in Russia. Everyone knows from the childhood what is the working class or the class of capitalists. The notion "middle class" is new for the Russians.

However, while politicians are discussing who could be attributed to the middle class, and parties are being formed which declare they uphold the interests of the middle class, a considerable part of the population attributes to the middle class the owners of cars. This means that people themselves try to explain the notion. The poll was conducted simultaneously with the above one and involved the same respondents.

WHILE IN THE UNITED STATES OVER 50 PERCENT OF RESPONDENTS BELIEVE THAT THE STATE IS BECOMING RICHER AS THE NUMBER OF THE RICH GROWS, IN RUSSIA OVER 50 PERCENT DISAGREE WITH THE NOTION

Residents of Russia and the United States were asked to answer the question: "Do you agree that the state is getting richer as the number of the rich people grows?" Here are the answers:

	Americans (%)	Russians(%)
Yes	62	29
No	32	52
Undecided	6	19

Taking part in the poll were 1472 respondents in Russia. In the United States the poll was conducted by the Gallup Organization.

WHAT TV CHANNEL RUSSIAN PEOPLE PREFER

To the question "What TV companies do you prefer?" the respondents who can watch Channel four over their TV-sets, answered in the following way:

	March (%)	April (%)
Ostankino	64	71
Russia	54	55
NTV	53	62
ViD	15	15
2x2	11	6
Moskva	10	14
St Petersburg	9	11
TV-6	9	6

The Russians watch the Ostankino Channel more often than NTV, which is being done by the force of habit, explain sociologists. However, over the time that passed since the first poll, the number of TV viewers, who believe that programs of NTV are more interesting than of other channels, has almost doubled.

To the question: "Which TV channels do you prefer?" the answers were the following:

	March (%)	April (%)
NTV	38	61
Ostankino	36	55
Russia	33	40
2x2	8	7
Moskva	8	14
TV-6	6	6
ViD	5	15

[passage omitted] Taking part in the poll in March were 999 inhabitants of the European Russia.

Statute on Nationalities Affairs Ministry

PM2004154194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Apr 94 First Edition p 5

[Russian Federation Government decree "on the Approval of the Statute on the Russian Federation Ministry of Nationalities Affairs and Regional Policy" followed by "Statute on the Russian Federation Ministry for Nationalities Affairs and Regional Policy"]

[Text] **Russian Federation Government Decree No. 312 "on the Approval of the Statute on the Russian Federation Ministry of Nationalities Affairs and Regional Policy"**

The Russian Federation Government decrees:

1. That the Statute on the Russian Federation Ministry of Nationalities Affairs and Regional Policy (attached) be approved.

2. That the Russian Federation Ministry for Nationalities Affairs and Regional Policy together with other subdepartments be allowed to have the following departments within the central apparatus:

for nationalities affairs;
for the affairs of deported and repressed peoples;
for the affairs of Russian Germans;
for international cooperation and the affairs of ethnic Russians;
for collaboration with components of the Russian Federation;
for federal and regional programs;
for problems of self-management;
for cossack affairs;
for analysis, forecasting, and prompt reaction;
for scientific backup for nationalities and regional policy;
a legal department;
for regions' budget and finance and investments problems.

[signed] Russian Federation Government Chairman V. Chernomyrdin, Moscow, 11 April 1994.

Statute on the Russian Federation Ministry of Nationalities Affairs and Regional Policy

I. General Provisions

1. The Russian Federation Ministry for Nationalities Affairs and Regional Policy (Russian Minnats) is a federal organ of executive power which elaborates and implements the state policy of federalism, the improvement of the national-state and administrative-territorial structure, and the development of local self-management, state nationalities policy, state regional policy, and also state socioeconomic policy for the development of the regions of the Far North and areas put on the same footing (hereinafter referred to as the Northern regions).

2. In its activity the Russian Minnats is guided by the Russian Federation Constitution, the Russian Federation laws, the Russian Federation president's edicts, the Russian Federation Government decrees and directives, and by this Statute.

3. The Russian Minnats implements its activity in collaboration with other federal organs of executive power, the organs of power of the republics in the Russian Federation and of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and with public organizations.

4. The Russian Minnats creates within the established procedure territorial organs and regional structures—subdepartments of the Russian Minnats.

5. The Russian Minnats is a legal body and has its own current and other accounts in banking institutions, a seal depicting the Russian Federation state emblem and its own name, and also the relevant seals and stamps.

6. The expenditure on the maintenance of the Russian Minnats central apparatus is through federal budget funds channeled into the maintenance of federal organs of executive power.

7. The Russian Minnats premises are in Moscow.

II. Main Tasks of Russian Minnats

8. In the field of implementing the policy of federalism, improving the national-state and administrative-territorial structure of the Russian Federation, and developing local self-management, the main tasks of the Russian Minnats are:

the development of the concept of federalism and also of programs for the improvement of the national-state and administrative-territorial structure of the Russian Federation and the development of local self-management;

participation in conjunction with federal organs of executive power and the organs of executive power of the components of the Russian Federation in the development of a mechanism for the demarcation of powers among them;

the development of proposals for the improvement of the national-state and administrative-territorial structure of the Russian Federation and for the development of forms of national-cultural autonomy;

the preparation of proposals for the implementation of state policy in the field of self-management with a consideration for the regions' national and territorial features;

the development of mechanisms for organizing and backing up constitutional guarantees of local self-management;

the preparation of proposals and participation in the implementation of state programs for the resurrection of the Russian cossack community;

the notification of the Russian Federation president, the Russian Federation Federal Assembly and Government, and interested ministries and departments of the progress in implementing the policy of federalism, of the state of interethnic relations in the Russian Federation and its individual regions, and of forecasts of the development of interethnic relations and the offering of proposals on these issues.

9. In the field of the development and implementation of the Russian Federation's state nationalities policy the main tasks of the Russian Minnats are:

the elaboration of the concept of the Russian Federation's state nationalities policy;

the rendering of methodological aid to the organs of federal executive power and the organs of power of the republics in the Russian Federation and of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg in organizing and performing work in the field of regulating national relations;

the implementation, within the limits of its competence and in collaboration with the relevant ministries and departments of the Russian Federation, of measures to prevent and resolve the emergence of interethnic and interregional contradictions;

the adoption, if conflict situations do arise in interethnic relations, on instructions from the Russian Federation president and Government in conjunction with the organs of executive power of the republics in the Russian Federation and of the krays, oblasts, autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, of measures to stabilize the situation; the coordination of the activity of ministries and departments and the organs of state power and local self-management in regions where conflict situations emerge;

collaboration with the Russian Federation Ministry of Foreign Affairs and other interested ministries and departments with a view to protecting the civil rights of ethnic Russians living abroad and assistance for ensuring equal rights for them in all spheres of social life;

the implementation in conjunction with the Russian Federation Ministry of Foreign Affairs of liaison with foreign cultural, national, religious, and other public formations of fellow countrymen and assistance in establishing and developing the Russian Federation's relations with fellow countrymen abroad;

the determination of the main avenues of scientific research in the field of nationalities policy and interethnic relations and collaboration with organizations and scientific institutions in Russia and abroad with a view to exchanging experience in the field of the scientific foundations of nationalities policy;

the rendering of assistance to ethnic communities in creating cultural centers, societies, associations of fellow countrymen, and other public associations;

the elaboration of proposals for the solution of the problems of numerically small peoples and ethnic minorities;

the preparation of recommendations and the implementation in conjunction with the relevant ministries and departments and organs of executive power of republics in the Russian Federation and of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg of organizational measures to implement policy in the field of the rehabilitation of repressed and deported peoples and also participation in the solution of the problems of refugees and forced migrants.

10. In the field of the Russian Federation's state regional policy the main tasks of the Russian Minnats are:

the elaboration of the concept of the Russian Federation's state regional policy;

the regular, objective, and public analysis of the regional situation in the Russian Federation and on its individual territories;

the elaboration of specific measures ensuring that the adverse consequences of unjustified territorial disintegration are minimized;

support for local initiatives ensuring the maximum use of internal regional potential to stabilize the socioeconomic situation, market transformations, and the social protection of the population;

the elaboration of measures for selective state support for regions with the most complex socioeconomic, demographic, and ecological conditions;

the elaboration of proposals for the improvement of regional budget and taxation systems and also of relations between regional organs of power and businesses [khozyaystvuyushchiye subekty] on questions of land use, the use of nature, and other issues of collaboration;

the elaboration of mechanisms for considering regional features in implementing economic reform, including in the processes of the structural restructuring of the economy, and in processes of privatization, the formation of a land market, the development of private farming, and other fields of state management;

the elaboration of mechanisms for considering regional features when implementing state policy for the social protection of the population, state labor and employment policy, and state social policy;

collaboration with voluntary bodies (associations) of economic collaboration of components of the Federation and of organs of local self-management on questions of the elaboration and implementation of state regional policy;

the solution of specific problems of large and small cities, depressed regions, and population centers attached to industrial enterprises and of closed administrative-territorial formations;

the creation of mechanisms for legal, financial, organizational, and information backup in accordance with the tasks, principles, and content of the Russian Federation's state regional policy;

the ensuring of the coordination of scientific research on problems of the elaboration and implementation of regional policy and also the financing of this work with funds envisaged in the federal budget for the development of science.

11. In the field of the elaboration and implementation of state socioeconomic policy for the development of the Northern regions the main tasks of the Minnats are:

the elaboration of the concept of state socioeconomic policy for the Northern regions' development;

the elaboration of proposals for the protection of the places of residence and economic activity of the indigenous small peoples of the North and the resurrection and development of traditional forms of their economic activity and use of nature and the creation of a system of protected territories and reservations;

the coordination of the work of the federal organs of executive power and the organs of executive power of the components of the Russian Federation and enterprises and organizations for deliveries of output (commodities) to the Northern regions and also for the preparation of recommendations for the Bank of Russia on the allocation of credit resources for the purchase and import of output (commodities) for the above-mentioned regions;

the ensuring of the coordination of scientific research and experimental design work on problems of the development of the Northern regions and financing for this work through funds envisaged in the federal budget for the development of science and the promotion of the introduction of scientific and technical achievements in Northern regions;

the elaboration of proposals for the development of the Arctic Sea route;

the organization of an expert appraisal of the plans to assimilate and develop the Northern regions including questions of the location and construction of large national economic establishments;

the elaboration, with the participation of interested ministries and departments, enterprises and organizations, of a state program for constructing on Russian territory housing for citizens leaving the Northern regions and participation in its implementation using state capital investments allocated to the Russian Minnats within the limits of the funds stipulated in the federal budget.

III. Main Functions of Russian Minnats

12. To resolve the main tasks of elaborating and implementing the state policy of federalism, to improve national-state and administrative-territorial structure, and to develop local self-management and the state nationalities policy of the Russian Federation, the state regionaL policy of the Russian Federation, and state socioeconomic policy for the development of the Northern regions, the Russian Minnats fulfills the following functions:

it regularly collects operational information on the state and dynamics of socioeconomic and sociopolitical processes in the regions and on trends in the development of interethnic relations and on the basis of their analysis elaborates the relevant materials, forecasts, and proposals;

it generalizes the practise of the use of legislation for questions within the sphere of authority of the Russian Minnats and submits within the established procedure proposals for the improvement of existing legislation and develops drafts of legislative and other normative acts on these questions and submits them to the Russian Federation Government. On instructions from the Russian Federation Government it takes part in the preparation of draft legislative acts and decisions of the Russian Federation president and Russian Federation Government on questions within the competence of the Russian Minnats. It takes part within the established procedure in the preparation of drafts of interstate and interregional treaties and other agreements on questions of its competence;

in conjunction with the Russian Ministry of the Economy, the Russian Ministry of Finances, and the Russian State Committee for the Administration of State Property [Goskomimushchestvo] it elaborates regional aspects of the economy's development, prepares proposals for the location of production forces, including the most important federally owned establishments, and determines in conjunction with the organs of executive power of the republics in the Russian Federation and of krays, oblasts, the autonomous oblast, and autonomous okrugs and the cities of Moscow and St. Petersburg the features for the implementation of economic reform in these regions and the forms and volumes of selective state support for individual regions including regions of ecological disasters and other regions with special development conditions;

it takes part within the established procedure in the formation of individual federal budget revenue and expenditure items;

it takes part in the preparation of the Russian Federation president's annual message to the Federal Assembly on the state of the nation and the main avenues of the state's domestic and foreign policy;

it prepares the state report on the situation in the Russian Federation regions and trends in its development;

it acts within the established procedure as a state client and with the participation of ministries, departments, and organs of executive power of the republics in the Russian Federation and krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, it implements the elaboration of federal targeted programs for questions assigned to the Russian Minnats; it determines in conjunction with the Russian Ministry of Finances centralized financial and other resources necessary for implementing these programs;

it elaborates in conjunction with the Russian Ministry of Finances proposals for regional aspects of financial, tax, credit and monetary, and currency and credit policy;

it takes part within the established procedure in the determination of the size of federal subsidies and subventions allocated to components of the Russian Federation;

it takes part in the elaboration of measures to encourage investment activity, the attraction and regulation of foreign investments, and the formation of a list of major investment projects implemented through the federal budget;

it takes part in the formation of federal social policy, including the development of the consumer market, the structure of the population's consumption and incomes, the determination of the forms of state support for social sphere sectors, and in the formation of general avenues of policy in the field of manpower resources, employment, the labor market, the creation of jobs, and workers' requalification;

it prepares proposals for the improvement of regional policy and the implementation of the organized resettlement of part of the population from regions which have extreme natural and climatic conditions or are depressed to Russian regions with more favorable living conditions;

it implements collaboration with political parties and movements and religious, rights protection, and other public associations on questions within the competence of the Russian Minnats;

on instructions from the Russian Federation president and Russian Federation Government it holds talks, signs intergovernment agreements, and issues official statements on questions of the implementation of the Federation Treaty, nationalities and regional policy, interethnic relations, the socioeconomic development of the Northern regions, and other questions within the competence of the Russian Minnats;

it elaborates in conjunction with interested ministries and departments proposals for the formation of foreign economic policy, the development of foreign economic ties, including with CIS states, mutually advantageous trade and economic cooperation with them, and the implementation of joint projects and programs on the basis of direct contacts between components of the Federation and foreign states;

it takes part with interested ministries and departments in the elaboration of proposals for the conclusion of intergovernment treaties on questions of economic ties including on economic agreements with CIS states;

it prepares in conjunction with interested ministries and departments proposals for the mechanism for regulating foreign economic activity and makes proposals for the establishment of regional quotas for export deliveries of strategic raw material and output;

it takes part in the elaboration of guidelines for the use of centralized currency resources and currency and credit policy and in the formation of the balance of payments, takes part in work to attract foreign credit resources and to use them in the Russian economy and in determining which goods are purchased with credits obtained under government guarantees, and makes proposals for the size of export and import tariffs and duties;

it takes part in determining the resources potential for the implementation of foreign economic operations for the most important commodities and services and the volumes of federal currency earnings;

it submits to the Russian Federation Foreign Ministry proposals for forming the staff of the relevant services at embassies and other diplomatic missions abroad;

within the established procedure it creates research institutions and expert groups for questions of its competence, organizes fundamental and applied research into nationalities policy and federal relations problems, and also creates the relevant analytical and information and reference systems and issues information bulletins and other information analysis publications;

with a view to the all-around coverage of problems of the development of federalism, the improvement of the Russian Federation's national-state and administrative-territorial structure, and the development of local self-management and regional and nationalities policy, it maintains permanent contacts with representatives of the mass media and institutes mass media within the established procedure.

IV. Main Rights of the Russian Minnats

13. To resolve the tasks set before the Russian Minnats and to fulfill the functions assigned it, the ministry is invested with the following rights:

to coordinate the work of federal ministries and departments on questions within its competence;

to request and obtain from federal organs of executive power and the organs of executive power of the republics in the Russian Federation and the krays, oblasts, autonomous oblast, autonomous okrugs, and cities of Moscow and St. Petersburg and from institutions and organizations the materials necessary for the solution of questions within its competence;

to adopt, on questions within its competence, documents of a normative nature which are binding for execution by federal organs of executive power and the organs of executive power of the republics in the Russian Federation and of the krays, oblasts, autonomous oblast, autonomous okrugs, and cities of Moscow and St. Petersburg and also by enterprises, organizations, and institutions irrespective of their departmental subordination or form of ownership. In the necessary cases decisions are made by the Russian Minnats in conjunction or in coordination with other organs of executive power;

to elaborate methodological materials and recommendations on questions within its competence;

to act within the established procedure as the state client for federal targeted programs, to examine the proposals of components of the Federation on the earmarking of subsidies, subventions, and other budget and nonbudget funds to them, and to make the relevant decisions in conjunction with the Russian Ministry of Finances;

to take part within the established procedure in the elaboration, examination, and agreement of questions of the country's socioeconomic development within the competence of other organs of state management;

to prepare in conjunction with the Russian Ministry of the Economy and the Russian Ministry of Finances proposals for regulating investment and foreign currency activity through nonbudget funds;

to take part within the established procedure in the coordination of questions of the Russian Federation's economic cooperation with foreign countries trade and economic unions, international economic and financial organizations;

to determine within the limits of the funds earmarked for scientific research the list of most important operations in the sphere of its activity, to attract within the established procedure, for the development of questions within its competence, the Russian Academy of Sciences, scientific research organizations, and other organizations and institutions and also scientists and other specialists and to take part in the allocation of financial resources channeled into these purposes;

to organize expert appraisals of targeted projects and programs of important national economic, interregional, and regional significance and to prepare proposals for the Russian Federation Government on the expediency of implementing these projects and programs;

to convene within the established procedure conferences on questions within its competence, recruiting specialists from other organs of executive power and enterprises, organizations, and institutions;

to create within the established procedure in the republics in the Russian Federation and in the krays, oblasts, autonomous oblast, autonomous okrugs, and cities of Moscow and St. Petersburg territorial organs and regional structural subdepartments of the Rus[illegible]n Minnats.

V. Organization of Russian Minnats' Activity

14. The Russian Minnats is headed by the minister, appointed and dismissed by the Russian Federation president upon representation by the Russian Federation Government chairman.

The Russian Federation minister for nationalities affairs and regional policy bears personal responsibility for the fulfillment of the tasks assigned the Russian Minnats and its fulfillment of its functions.

The minister has deputies appointed and dismissed upon his representation by the Russian Federation Government and he distributes duties among them.

The minister:

leads the ministry's activity;

submits within the established procedure for examination by the Russian Federation Government draft normative acts on questions within the ministry's competence;

establishes the duties of the deputy ministers and leaders of the ministry's structural subdepartments;

issues joint normative documents with the leaders of other federal organs of executive power;

approves the structure of the ministry's central apparatus within the limits set by the Russian Federation Government on the wages fund and the numerical strength of its workers, the established staff of the central apparatus, the statutes on its structural subdepartments, and also the estimate of expenditure on the maintenance of the ministry's central apparatus and its territorial organs and regional structural subdepartments within the limits of the budget appropriations approved for the relevant period;

appoints and dismisses workers of the ministry's central apparatus and proves statutes (charters) on subdepartmental organizations and institutions;

submits within the established procedure workers who have particularly distinguished themselves for honorary titles and state awards of the Russian Federation.

The minister has the right to delegate individual powers granted to him to his subordinates except for rights exclusively within the competence of the minister.

15. A collegium consisting of the minister (chairman of the collegium) and his deputies and leading workers of the ministry central apparatus is formed in the Russian Minnats. The collegium can include representatives of other ministries and departments, enterprises, organizations, and institutions and individual scientists and specialists.

The members of the Russian Minnats collegium are approved by the Russian Federation Government.

At its sessions the collegium examines the most important questions of the Russian Minnats' activity. The collegium's decisions are formulated by protocols and are implemented by orders from the minister.

When necessary leaders of organs of state power and of enterprises, organizations, and institutions, and scientists and specialists directly involved in the questions under discussion take part in the collegium sessions.

16. To examine fundamental problems of federalism, to improve national-state and administrative-territorial structure, local self-management, national relations, and regional policy, and to ensure the socioeconomic development of the Northern regions the Russian Minnats can form consultative organs including representatives of ministries and departments and enterprises, organizations, and institutions.

17. The Russian Minnats publishes and founds journals and other publications within the established procedure.

Economic Issues

Yeltsin Note on Need To Solve Payments Problem

LD2104115594 Moscow ITAR-TASS in English 1053 GMT 21 Apr 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow April 21 TASS—"The necessity of solving the non-payments problem is one of the main points of the memorandum sent by Russian President Boris Yeltsin to Prime Minister Viktor Chernomyrdin and the chairmen of the Federation Council and State Duma", presidential spokesman Vycheslav Kostikov told a briefing in the Kremlin on Thursday.

According to the spokesman, "the technical solution of the non-payments problem is the prerogative of the government, but, since that question has grown into a political one, it has entered the competency of the president".

Kostikov said Yeltsin's "memorandum should stimulate the process of economic reform". He explained that, in the same memorandum, the president "calls the attention of the lawmakers to the fact that they have been too slow in enacting laws in the economic sphere".

Shokhin To Implement

LD2104150494 Moscow INTERFAX in English 1127 GMT 21 Apr 94

[Text] On Thursday Russian Prime Minister Viktor Chernomyrdin reported at the sitting of the Cabinet's presidium that the government had received a letter from the president which contains direct instructions regarding the situation in the state economy and in the country as a whole. Chernomyrdin noted that "the president's concern is not ungrounded" and "his attitude towards the instructions of the head of the Russian state is always a very serious one."

In Chernomyrdin's words, the document received from Yeltsin was already considered on April 19 and the issues defined in it would be solved in the near term. Chernomyrdin reported that Vice Premier and Economics Minister Aleksandr Shokhin had been commissioned to fulfill the president's instructions.

The sitting of the government's presidium approved the principal trends of the Cabinet's social policy for 1994. The social policy gives priorities to the following: prevention of any lowering of the population's level of incomes, preserving of the balance between economic interests and material opportunities of three major population groups: hired workers, entrepreneurs, and disabled citizens.

To this effect Chernomyrdin indicated that the tax reform to which he pays the greatest significance is to be the key element of the social policy. In his words, "taxes should not bring damage to people."

The government's presidium returned for revision the draft of the federal program on assistance in the population's employment in 1994 prepared by the Federal Employment Service. As Chernomyrdin said, the document does not properly point out measures for helping in the employment of those who graduate from educational institutions, does not take into consideration investment programs the implementation of which the unemployed can be involved. A governmental commission headed by Vice Premier Yuriy Yarov has been formed to revise the federal program.

Chernomyrdin Role Viewed

MK2104114094 Moscow SEGODNYA in Russian 21 Apr 94 p 1

[Rustam Narzikulov report: "Yeltsin Feels an Urgent Need for Chernomyrdin's Political Will"]

[Text] The president has sent a letter to Viktor Chernomyrdin "outlining the methods of resolving" the nonpayment problem. Initially the letter was just "a memo on the nonpayment problem" to be addressed to Central Bank Chairman Viktor Gerashchenko, which was later converted into a public message to the head of government.

The change in the document's political status has an exclusively political bottom line—the president has to demonstrate to society his profound understanding of the economic situation and his concern over economic problems. It is not a coincidence that ITAR-TASS ended its report on the letter to the prime minister with a high-sounding passage: "Boris Yeltsin is taking on the entire responsibility for the second stage of reform, including the need to free the Russian economy from enterprises that have no future prospects."

The quotation very appropriately points out that the mass restructuring of money-losing enterprises—in terms of its consequences—is on a par with the January 1992 price liberalization and subsequent efforts by various governments to stabilize the ruble. In this case, nonpayments are a very simple but reliable indicator of a grave economic depression, from which there is no other way out than to apply the procedure of bankruptcies with the subsequent restructuring of an immense number of businesses. So the president, who has fairly good experts in his staff, meticulously listed altogether correct, standard, and, hence, long well-known methods to resolve the "nonpayment problem."

However, the first part of the above ITAR-TASS quotation—unlike the second one—is outright cunning by a most experienced political player. The president, even unaware of economic and legal nuances of the bankruptcy procedure, realizes all too well the political hazard of bringing what is still mostly state-owned property into "a healthy state" (the president's expression—R.N.).

But this is what a government has been envisioned for in the Russian system of executive authority—as a rule it is the government, not the head of state, who puts unpopular decisions into practice. If Boris Yeltsin really sees bankruptcies—not the "mutual cancellation of debts," government credits, and so forth—as the sole method to combat the crisis of sales, a method that does not have any alternative, then the prime minister is facing what may prove to be the most difficult time in his government career. It is he, not the president, who will bear responsibility for public displeasure with forced bankruptcies.

Viktor Chernomyrdin's economic successes of the past four months (the slowing down of inflation and the postponement of new customs duties) are attributable exclusively to an unorthodox and at the same time extremely efficient method of "delayed decisions." How this invention could be applied to bankruptcies is hard to imagine, because "delayed decisions" on nonpayments are tantamount to the conservation of unviable bankrupts. Given this situation, the prime minister alone can save himself—if he manages to find yet another unorthodox way out of the political corner into which he has been pushed.

Letter Gives Yeltsin's 'Own View'

PM2104145994 Moscow IZVESTIYA in Russian 21 Apr 94 p 1

[Report by Irina Savvateyeva: "Bankruptcy Surgery May Be the Way to Help a Sick National Economy"]

[Text] On Tuesday Boris Yeltsin sent a letter about the problem of nonpayments not only, as it happens, to Viktor Chernomyrdin, but also to Ivan Rybkin, Vladimir Shumeyko, and Viktor Gerashchenko. While drawing attention to the urgency of the problem of nonpayments, the president stressed at the same time that the highly delicate problem of bankruptcy, which the authorities are showing no signs of tackling, had to be resolved more rapidly.

But the choice of the epistolary mode raises some questions. Aleksandr Livshits, head of the president's group of experts, talking about it in an interview for IZVESTIYA, said that a letter, unlike an edict, has no directive force, and it does not prescribe measures that have to be implemented. Yeltsin was merely expounding his own view of an urgent problem, setting it out, as it were, for the Federal Assembly, government, and Central Bank to view.

So the mode chosen by the president suggests that Boris Nikolayevich is granting the addressees the right not only to tackle a very acute issue independently, but also to take responsibility for its solution.

It should be noted in this connection that the head of the group of experts categorically rejected the statement ascribed to him by ITAR-TASS that, by sending the letter, "Boris Yeltsin is assuming full responsibility for the second step of the reforms, including the need to rid the Russian economy of those production facilities with no future."

"Of course, the president did not have anything of the sort in mind."

Indeed, the document itself is devoted, apparently, not so much to the problem of bankruptcy as to actual nonpayments. According to Livshits, the letter maps out various ways of resolving this problem, including the bankruptcy procedure. And each addressee is being recommended tasks that fall within his sphere of responsibilities.

The president has taken into account, Livshits stressed, all the proposals from various departments on resolving the nonpayments problem. Including the Finance Ministry's scheme for the return of state debts, which are often the cause of nonpayments (see IZVESTIYA 31 March 1994 for more detail), and a proposal on implementing bankruptcy procedure, put forward by the Federal Administration for Insolvency Cases and the Economics Ministry...

Unfortunately, IZVESTIYA journalists were unable to get a look at the text of the letter in order to be able to provide more details. The two-hour search for the document was unsuccessful.

The unflappable president's press service duty officer said: "It is an unofficial document and we do not have it..." Either the addressees' press services, offices, and general deparments had no idea of the letter or they were being kept out of it, as was the Duma apparatus: "Rybkin has the letter. What were we supposed to do, show it to everyone?!"

Yet, actually, it would not have hurt to "show the document to everyone." Of course, I am addressing this notion not to a petty official in the Duma general department, but to senior staffers of B. Yeltsin's apparatus.

The heads of the Federal Assembly, government, and Central Bank will have a great deal of work to do implementing the proposals set down in the president's letter. Not only will they have to adopt special decrees, but they will also have to amend current legislation.

But the existence of the letter by no means signifies that amendments and decrees will be adopted immediately. The president has merely expressed his view on an urgent problem, thus indicating possible ways of cooperating with the legislative authority. Whether this cooperation comes about is not dependent on him alone.

Yeltsin Aide on Need To 'Complete' Reform

PM2104111194 Moscow IZVESTIYA in Russian 20 Apr 94 p 4

[Aleksey Portanskiy report: "Reform From Above Not Being Carried Out in Russia, Aleksandr Livshits, Leader of the Russian Federation President's Group of Experts, Claims"]

[Text] The author of Russia's first handbook on the market economy, Doctor of Economic Sciences Aleksandr Livshits, is already familiar to IZVESTIYA readers, since he has many times appeared in this newspaper as a writer. Two months have passed since Professor Livshits moved to the Kremlin, taking up the post of leader of the Russian Federation president's group of experts.

"You encounter many absolutely gripping topics here," he says: "There are dramas, tragedies, joys—in a word, everything a man needs." From this we may conclude that my interlocutor has taken up his new job with characteristic enthusiasm. Nevertheless, summing up his one-month incumbency in his new post, he noted that so far he has only been laboring to "reduce the negative, not to create the positive."

February-March saw an unforeseen substantial fall in production. One reason is well known—the mass defaulting which caused enterprises to shut down.

No economic mechanism can regulate the problem of debt defaulting smoothly, without destroying production: No coercive measures were drawn up, and a reversion to the past was feared. A virtually spontaneous, very expensive, mutual absorption of debts (apart from the recovery of debts by the Ministry of Finance) is taking place.

You often hear directors say that, on the whole, many people have adapted: Defaulting will go away miraculously, they say, and things are OK. But there will be no miracle. This is a crisis of incomplete reform. And trying to solve the problem once again by the methods of 1992, i.e. through credit injections, would mean ending up this time with inflation not of 15-20 percent, as before, but all of 40 percent. Fortunately, the government understands this perfectly.

The payments crisis induces Prof. Livshits to observe that there is no controlled mechanism of economic reform in Russia. Reform is a change in the design of a mechanism, be it a clock or an economy. In this sense reform is not being carried out in terms of a controlled process of redesigning the economic mechanism from above. Nor has this been the case, in the estimation of the expert group leader, for at least 18 months to two years (reform is being carried out spontaneously from below, but that is another story). Even though governments and ministers have changed in this time—some called reformers, others the reverse.

We are accustomed to judging how reformist a government is by what sort of monetary and credit policy it implements. In reality, this is no more than an illusion: Monetary policy, in Livshits' opinion, can create better or worse conditions for reforms, but it does not change the design. The number of monopolies is not thereby reduced, nor do civilized markets emerge, or changes in the forms of ownership occur. So that there is just one sign of a reformist government, Aleksandr Yakovlevich insists: whether or not it engages in reform, whether or not it controls the process.

We have contrived to lose all control over state enterprises, although we have considerable experience in this area. The state sector is being not just privatized but sold off chaotically, without premeditation, without any kind of decrees or laws. Therefore virtually no reform can be seen in this area.

Unfortunately the returns on privatization are so far small. Check privatization was necessary, but it brings virtually nothing in to the budget. With such meager investment resources we must seriously consider how to sell the most efficient property to major investors. World experience shows that a country which carries out mass privatization as a rule obtains healthy resources and does not suffer inflation.

Taxation. Reform in precisely this area is capable of influencing the design mentioned above, to wit, by stimulating investment activity. Instead of this, as my interlocutor puts it, the only result of the taxation system currently operating is "a Russia-wide groan from below."

One further argument to prove the absence of reform—the wholesale markets. There are changes in this area, but they are fairly untypical. The painfully familiar former state supply bodies have now been transformed into joint-stock companies, but in no way ceding their monopoly status in the wholesale markets. In actual fact the situation has even worsened, since a state monopoly was hardly worse than is a private one.

In recent months, and even years, it has been fashionable to talk about the allocation of structural priorities, the points of growth where resources should be invested, about selective policy. Has this policy been elaborated in reality? You can see in the federal budget how resources are distributed for federal special-purpose programs. But here only the projects that are finalized earliest and best can receive priority, and these projects will be funded accordingly. Does this mean that a given project and a given sector are really accorded priority? Certainly not.

And what is the structure of priorities in our country today? There is really nothing especially clever here: It is nothing but the result of the real correlation of forces in the Duma and between the representatives of certain sector blocs. Who would be so bold as to claim that these are indeed Russia's structural priorities?

All the above might prompt someone to ask the legitimate question: But why, in point of fact, complicate life for ourselves? Why is all this necessary, if all over the world the process of forming market mechanisms has proceeded as naturally as the grass grows?

Yes, the Kremlin's chief expert suggests, this is absolutely true: Only the American grass was not concreted over for 70 years. On the other hand, we made up our minds to smash the concrete and wait for grass to appear. It did indeed spring up, but through the cracks and overlying pieces of concrete. Hence all this grass takes on wild, distorted forms. Such are the outlines of our market economy today. What we really need to do is dismantle this concrete seriously, genuinely, but this is not yet being done. There is only one solution: to complete reform, as clearly stated in the president's message to the Federal Assembly.

Today inflation has been comparatively stabilized; however, this is the result not of last year's policy, but of the policy of the first few months of this year. And a further rapid fall in inflation should be viewed as a great danger. The value of such achievements is only significant when what is really important is not thereby lost. Today we are losing part of our high-tech industry, as my interlocutor wrote in IZVESTIYA in December, and this process has not been stopped.

In an economy like ours inflation can be beaten only gradually, through positional warfare. But the factor of its relative stabilization must be used to achieve at least, for example, a small reduction in centralized interest rates. That is to say that investors should be given some kind of signal for action. Of course they need guarantees and economic freedom, but this is again nothing less than controlled reform.

The systemic crisis, the incompleteness of reform—all this cannot, unfortunately, be solved overnight. Livshits assures us that, whatever we do now, by the fall all the same, familiar problems will come our way again. But since we know in advance that reform will progress slowly, we must try at least to minimize the difficulties as much as possible. There are elementary ways and means connected with the elementary introduction of order. Why is this not being done? I think, because of the weakness of the state and many other factors.

Incidentally, there is no problem of defaulting on payments in the private sector. Where there is no state sector, debts are always extracted, albeit by primitive methods. This is another weed growing through the concrete. But for a state to be unable to cope with state enterprises—who ever heard anything like it?

All the same, do they know behind the Kremlin walls what to do about defaulting?

Above all, there are no plans there to change the government; no direct coercive measures are being prepared, although certain recommendations are being made to the president. There is no question of hitting the kopek in anyone's pocket; but the time has come to compel enterprises to settle their debts, activating their hard currency resources if necessary.

Aleksandr Livshits himself believes that a clear timetable should be established for the elimination of budget debt not only for 1993, but also in terms of the resources being distributed now. We must find the strength to establish rigid controls over the passage of budgetary funds through the whole system. If necessary, laws should be amended. We should worry especially about Russian enterprises which deliver products to the CIS republics and are not receiving payment on time.

All this, of course, will not provide a radical solution to the default problem—there is no avoiding bankruptcies and the circulation of promissory notes. But the scale of these things can be markedly reduced.

The government's strategy was made public at the beginning of March. Descriptions of it as inflationary have not been borne out. If it manages to adopt a series of measures to counter defaulting on payments, improve the situation in the consumer market, and seriously tackle the redesign of the economic mechanism, paths to survival will be opened.

Government Eases Light Industry Credit Repayments

PM2104115194 Moscow ROSSIYSKIYE VESTI in Russian 19 Apr 94 p 4

[Aleksandr Davidyants report: "Ivanovo—City of Unemployed? The Crisis in Light Industry and the Textile Industry Can Be Surmounted Only Through Joint Efforts by the Center and the Regions"]

[Text] Production volumes in the textile industry and light industry have fallen more than 50 percent over the past three years. Today only a small proportion of enterprises is continuing to work steadily, while a further drop in production is occurring in the bulk of factories. A fall in production volumes has been noted for literally all types of output. The financial position of enterprises is continuing to deteriorate. As a result of the government's inflexible monetary and credit policy producers do not have the working capital to acquire raw materials. Because of this many factories are on the verge of bankruptcy, the majority of them are going over to a short work day and a short work week, and they have been forced to make people take unpaid leave.

The critical situation which has taken shape in the sector necessitated the urgent holding in Moscow of an enlarged session of the board of the Russian Interregional Union of Textile and Light Industry Entrepreneurs. Boris Fomin, its president, pointed out that this is the first time the sector's problems have been discussed at such a high level. Representatives of the Russian Federation State Committee for Industrial Policy, the Ministry of Economics, the Ministry of Finance, and the Central Bank participated in the work of the conference in addition to leaders of enterprises. Representatives of 37 Russian Federation kray and oblast administrations were also invited to the capital.

In Boris Fomin's opinion, the situation can be rectified if enterprises are given assistance out of local budgets. As is known, the federal budget today controls only 15 percent of all the funds, the rest of the money being in the regions. It is no coincidence that, as experience shows, the situation is far better where the leaders of krays and oblasts devote proper attention to enterprises' problems, allocate credits to them, and help them to acquire raw materials. But this does not mean, of course, that the government must entirely dissociate itself from the sector's problems; on the contrary, without state support for enterprises during this transitional period it is hardly possible to reckon on the successful implementation of economic reforms.

The appeal to the country's leadership adopted by the participants in the enlarged session of the Union of Textile and Light Industry Entrepreneurs says that the sector is in a very grave position today. Hidden unemployment, which already has more than 700,000 working people in its grip, the majority of whom are women, is escalating into real unemployment. Wages are not paid for several months. People can see no way out of the present situation and have been reduced to despair, there is growing indignation at the government's failure to take effective measures, and strike committees are being set up. The appeal proposes a whole number of specific measures that might halt the collapse of these sectors of industry.

The results of the conference were examined at a session of the Russian Federation Government Commission on Operational Questions under the chairmanship of First Vice Premier Oleg Soskovets. The Ministry of Finance was instructed to find an opportunity to grant to enterprises a deferment of the repayment of the preferential centralized credits issued in the sum total of 8.7 billion rubles [R], including R1.3 billion for Ivanovo Oblast, and to postpone the deadline for repaying the said credits until 1 January 1995. In addition, measures will be taken jointly with the Bank of Russia to prolong until 1 July 1994 the centralized credits to the tune of R32.4 billion received by textile and light industry enterprises in 1993 to acquire raw materials at the prime rate of the Bank of Russia, as well as measures to prolong through the end of this year the credits to the tune of R44 billion allocated to Ivanovo Oblast enterprises on the same terms. It was also decided to grant to individual textile and light industry enterprises in Ivanovo Oblast a six-month deferment of payments of profits tax and VAT into the federal budget to the tune of R25 billion.

Shokhin: Taxes May Be Cut 10-20 Percent

MK2104122094 Moscow SEGODNYA in Russian 21 Apr 94 p 1

[POSTFACTUM report: "One-Shot Action To Cut All Taxes Possible in Fall"]

[Text] Aleksandr Shokhin has advised that a one-shot action is possible in Russia in fall 1994 cutting back all taxes 10 to 20 percent which, he thinks, would considerably liven up production. He pointed out, however, that this is possible only if the money not to be received into the budget is made up for from the proposed reserve standby credit ($4 billion) that may be received as soon as in the fall.

Commodity Producers Propose Measures to Yeltsin

PM2104151294 Moscow PRAVDA in Russian 21 Apr 94 p 2

[Viktor Sergeyev report: "Voice Heeded"]

[Text] Our economy is becoming increasingly fevered. In the first quarter the production slump reached the record level of 25 percent. The unstable internal political situation in Russia and the deepening economic crisis, which could cause a powerful social explosion this year, are giving rise to growing Western concern. Political and business circles in the United States, Germany, Japan, and other states are increasingly openly voicing their opinion of the inability of the country's present leadership to find a way out of the impasse without relying on strong public organizations.

The Federation of Commodity Producers [FCP] has sent the Russian Federation president proposals for taking measures without delay to rescue Russian industrial and agricultural production. The message makes a hard-hitting analysis of the very grave situation in the Russian economy and sets forth specific measures to organize a system of cooperation between the FCP and the government with a view to working out and implementing specific joint actions. B. Yeltsin has examined the proposals and instructed V. Chernomyrdin to arrange cooperation with the FCP for the purpose of overcoming the disastrous drop in production and curbing the growth of unemployment.

The FCP's practical activity in shaping new relations between commodity producers and the government and foreign partners is a real step on the way to creating a self-organizing system of economic relations. Russia will be unable to emerge from the crisis without the painstaking, gradual building of working market infrastructures and new relations in the economy. The hopes of Ye. Gaydar and his supporters that an unrestrained market will itself set everything to rights and that the economy will start working efficiently have, as was to be expected, proved a bluff. The transition to a civilized market is a complex process which must be conducted sensibly and systematically.

This FCP activity is meeting with increasing support from Russian entrepreneurs, the corps of directors, and trade unions. This is of considerable importance, since Yuriy Skokov has declared his intention to run as a candidate in the 1996 presidential election and needs new supporters and broad support. Today this cannot be achieved with fine promises alone—few people believe them anymore.

Unemployed May Exceed 12 Million for 1994

LD2104191194 Moscow INTERFAX in English 1608 GMT 21 Apr 94

[Text] As many as 4300 Russian enterprises were forced to entirely or partially stop their work this February, as a result, they lost 20 million man-days. A total of 428 enterprises completely stopped their work due to the shortage of raw materials and difficulties attributed to the sale of manufactured goods. This data was presented by the leader of the Federal Employment Service [FES] Fedor Prokopov on Thursday in Moscow.

According to the experts of the Federal Employment Service, possible "partial" unemployment in 1994 will constitute 5-8 Mn people and the number of workers at unprofitable enterprises could exceed 20 percent of the total number of the employed people in Russia. As many as 4.7 million people could be fired as a result of production reduction in 1994, and the amount of people who had no work or who lost it and are looking for a job could exceed 12 million people.

At the same time, experts believe that because of the discrepancy in supply and demand the unsatisfactory demand for working places could exceed 6 Mn people or 8.7 percent of the able bodied population in 1994.

Experts of the Federal Employment Service are convinced that unemployment will become the dominating problem in social and economic policy this year. To this effect they intend to undertake certain measures on the urgent introduction of compensation payments for approximately 970,000 people who are forced to work an incomplete working day or week or who are forced to take vacation without payment.

The Federal Employment Service forecasts that in 1994 it will be able to find work for 1.5 million people and 550,000 people will be granted an opportunity to re-train at the expense of the funds of the non-budget employment fund totalling 4 trillion rubles. The service is especially concerned about the situation of those leaving school, training colleges, and institutes; about 500,000 of them will be unemployed in 1994, including 90,000 graduates from high schools.

The Federal Employment Service intends to preserve the quotas at existing enterprises to accept graduates from schools and institutes and to financially support employers who hire young people. The government's presidium agreed to the key provisions of the draft of the federal program on employment for 1994, however, it has returned it for revision to the specially formed governmental commission headed by Vice Premier Yuriy Yarov.

'Active Steps' Planned

PM2204101194 Moscow ROSSIYSKAYA GAZETA in Russian 22 Apr 94 First Edition p 1

[Unattributed report under general heading: "The Aim Is To Stabilize Living Standard"]

[Text] Believing that in 1994 the problem of the population's employment will become the dominant one in socioeconomic policy, the Russian Federation Government intends to take active steps to curb unemployment, to create conditions for the expansion of employment in the nonstate sectors of the economy, and to ensure the protection of citizens forced into redundancy. That was the opinion reached yesterday by the participants in a session of the Russian Federation Government Presidium which approved as a whole the draft federal program for assisting the employment of the Russian federation population for 1994.

Presenting the draft program, Fedor Prokopov, leader of the Federal Employment Service, noted that its operation will extend mainly to able bodied citizens who have work but are at risk of losing it and to unemployed registered at the state employment service organs.

Providing information on the employment situation in 1994, Fedor Prokopov stated that one of the most characteristic features of the labor market will be the large army of partly unemployed people who have for a long time been under threat of dismissal. In February this year alone 4,300 enterprises had long production stoppages and 428 enterprises stopped completely. These enterprises have expanded the practice of leave at the administration's initiative. Thus the threat of concealed unemployment developing into open unemployment is intensified. Over the course of 1994 possible "partial" unemployment is assessed at 5-8 million people.

Fedor Prokopov also predicts that there will be an enhanced risk of citizens losing work—the total number of layoffs of workers in 1994 will be 2.4-3.8 million. There will also be an increase in the supply of manpower on the labor market: The number of citizens who did not have work before or who lost it and are seeking work will be in excess of 12 million. As a result of the discrepancy between the supply and demand for manpower, the unsatisfied demand for jobs could be in excess of 6.1 million people, or 8.7 percent of the economically active population. It is expected that the numerical strength of the unemployed officially registered at the unemployment service will reach 3 million by the end of 1994.

In the sphere of economic support for employment the government intends to curb the reduction of economically expedient and promising jobs and to promote the growth of investment activity, which creates new jobs, through the implementation of institutional transformations, selective structural policy, and the implementation of investment and other targeted programs.

Funds for the implementation of the federal program will be earmarked from the state employment fund and will total 4 trillion rubles. After the draft's discussion at Viktor Chernomyrdin's suggestion it was decided to send the document for further work.

Foreign Investment Decline in First Quarter

PM2104135394 Moscow IZVESTIYA in Russian 21 Apr 94 p 1

["Own information" report: "Foreign Investment in Russian Economy Declines in First Quarter"—from the FINANSOVYYE IZVESTIYA section]

[Text] According to preliminary figures from the Russian State Committee for Statistics [Goskomstat], the growth of foreign investment in the Russian economy in the first quarter of 1994 came to $290 million—a decline of 57 percent on the fourth quarter of 1993. Investments in joint ventures account for around a quarter of all investment. Goskomstat specialists note that this year, as in the past, the quarterly dynamics of foreign investment inflows into Russia are very irregular.

Government Plans To Lure Investments

LD2104121994 Moscow ITAR-TASS in English 1118 GMT 21 Apr 94

[By ITAR-TASS correspondent Igor Ivantsov]

[Text] Moscow April 21 TASS—Some 100,000 billion rubles will be enlisted to finance investment projects in Russia. Such a chance will appear thanks to several measures taken by the Russian Government to step up investment activities, Russian Deputy Economics Minister Andrey Shapovalyants said here on Thursday. The deputy minister spoke at the international conference on oil and gas in Moscow, which was organised in connection with the international Neftegaz-94 exhibition.

As a result of these measures, the government plans to retain the volume of investments in 1994 at least at the level of last year. However, the share of federal investments will drop by 15-20 per cent.

Shapovalyants called the emerging transition from state to project financing of all investment programmes a key measure capable of stepping up sharply investment processes. According to the deputy minister, this means the state's departure from monopoly participation in these programmes and transition to share investments.

The practice of funds' distribution which took place in the past, will be replaced with enlistment of various resources, apart from state funds, from local budgets as well as participation of private and foreign investments. Priority will be given to projects whose share of non-federal funds will total at least 50 per cent.

In the deputy minister's opinion, the decision to re-assess fixed industrial assets and their regular indexation will also help to boost the volume of investments. Apart from this, tax privileges will be given to any form of investments, including acquisition of securities and creation of authorised capital. The purpose-oriented enlistment of credits for investment will be also stimulated with tax privileges. In 1994, Shapovalyants continued, the government will preserve easy-term investment crediting for projects launched in 1992. The government is now reviewing the procedure of forming extra-budgetary funds. In future, they will be converted into insurance funds to protect investments from all types of risks. It is planned to establish such a fund at first in the gas industry and then to start their creation in other fuel and energy industries.

Inflation Data for 5-12 April Analyzed

PM2104103594 Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 94 First Edition p 3

[Unattributed report "based on data from the Department for Price Analysis and Forecasting of the Economic Conditions Center Under the Russian Federation Government": "5-12 April: The Week's Prices. Train Tickets, and Everything Else Along With Them, Become More Expensive"]

[Text] The overall index of inflation for the week was 102.7 percent, and since the beginning of the year it has increased 50 percent. From 5 through 12 April the inflation rate was 2.7 percent.

The increase in charges for paid consumer services continued to considerably outstrip price increases for food products and industrial goods. Food and nonfood product prices went up 1.2 and 2.4 percent respectively. On the whole paid consumer services, mainly because of a twofold increase in the cost of railroad travel, became 18.4 percent more expensive.

The biggest increase in prices for goods and services was noted in the cities of the Urals, East Siberia, and the Far East. They changed least of all in the Northwest and Volga-Vyatka Economic Regions.

Food prices increased without any particular surges—slowly but surely. Vegetables prices went up 5.1 percent and fruit prices went up 4.3 percent, which was not to the same extent as before but still more than other things. The price of salt continued to increase—by 4.1 percent. Hulled and pasta product prices went up 2.7 percent, bread and flour product prices went up 2.3 percent, and the price of flour went up 2.1 percent. Prices for dairy and fish products, butter and vegetable oil, eggs, and sugar changed by less than 1 percent during the week. Vodka became 1.6 percent cheaper than a week ago. The biggest price increases were for food products in the Volga (2.3 percent) and North Caucasus (2.2 percent) regions. In the North Caucasus region the biggest increases were for fruit and vegetable produce—12-14 percent—and bread and flour products—3 percent. In the Volga region fruit prices went up by 11 percent and prices for dairy products and butter went up 5-8 percent.

As of 12 April the average cost of the basket of the 19 most important food products was 46,000 rubles [R] calculated on a monthly basis, an increase of 1.1 percent during the week and 50 percent since the beginning of the year. This basket cost R44,400 at official trade prices and R57,500 at unofficial trade prices. The Far East Economic Region is still the most expensive in terms of the basket's cost—R80,900. The Central Chernozem Economic Region has been the cheapest for two and a half months at R35,200. On 12 April the basket cost R50,000 in Moscow and R49,700 in St. Petersburg. Moscow is in 33d place and St. Petersburg is in 36th place in terms of high prices in the list of cities being monitored.

Industrial goods went up in price more than food products. Prices for certain types of fuel and medicine continued to increase—by 8-10 percent during the week. The average price increase for wallpaper was 4 percent and that for knitted articles, synthetic detergents, and matches was 3 percent. Prices for tobacco products and cultural and domestic goods went up 1 percent. Besides fuel, in the past week knitted and sewn articles have become considerably more expensive in the Far East region. At 3.6 percent the increase in prices for industrial goods in the Central Chernozem region was higher than the average Russian increase.

For a long time now there has been a large gap between the maximum and minimum prices for identical goods in various Russian cities. Thus, since the beginning of the year there has been a fivefold to sixfold difference in footwear prices, a fivefold difference in tobacco product prices, and a threefold to fourfold difference in television prices.

Deputy Economics Minister on Combatting Inflation

LD2104152494 Moscow ITAR-TASS in English 1301 GMT 21 Apr 94

[By ITAR-TASS correspondent Igor Ivantsov]

[Text] Moscow, April 21 (TASS)—The effort to combat the inflation remains one of the chief tasks of the government in the current year. Only the stabilisation in finance will make it possible to intensify investment processes in the economy which are to become the basis for overcoming the economic crisis. Andrey Shapovalyants, the first deputy Russian economics minister, said this on Thursday, addressing the international conference on oil and gas.

A number of measures that the government plans to take in the financial area this year should arrest the growth of the pace of inflation, he noted. A rigid crediting policy and the course at limiting the expenditure of budget funds will stay. The issuing of credits should not increase beyond seven per cent.

The first three months of the current year showed the possibility of limiting the inflation growth to ten per cent a month, he said. There is every reason to believe that this index will remain valid till the end of the first six months. If considerable seasonal expenditure from the budget is avoided, the growth of inflation in 1994 may be cut by half as compared to 1993.

The government intends to preserve state regulation of prices of products of natural monopolies. This means a strict direct control over the level of prices and their change. The stabilisation of the financial situation will also be promoted by the introduction of control over the pay in the budget area, by the regulation of domestic and world prices through export-import tariffs and direct pricing of products of state enterprises that manufacture them on commission from the state.

Nemtsov on European Bank Investment Approach

PM2204095594 Moscow IZVESTIYA in Russian 21 Apr 94 p 2

[Reports by Aleksey Portanskiy and Sergey Krayukhin under the general heading: "In St. Petersburg Eurobank and 'Dixon' Group Take Different Views of Our Country"]

[Text] St. Petersburg—The third annual meeting of the board of governors of the European Bank for Reconstruction and Development (EBRD) was held in St. Petersburg's Tavricheskiy Palace on 18 and 19 April. According to its president, Jacques de Larosiere, the meeting was successful and its outcome positive.

One person I spoke with in the Tavricheskiy Palace was Boris Nemtsov, governor of Nizhniy Novgorod, where an EBRD pilot project to assist in the creation of small and medium-size businesses has been up and running for a long time.

"What the European Bank is aiming at above all," B. Nemtsov said, "is small production outfits and the services sphere, not trade in its present mass resale form. EBRD repesentatives carry out a most meticulous study of the partner, right down to his moral character and habits, before providing credit."

You could say that the EBRD's policy is not only tough (in terms of partner selection), but also one of high principles and integrity. The bank's own reputation is extremely important to it and, as we know, it is based on the results of what it does. When the EBRD okays participation in a project it means that it adds its own 35 percent to the one-fourth of the funds put up by the particular enterprise. The very fact that it is involved in the particular business then changes things radically: The quest for a third partner to make up the difference is no longer a problem when the EBRD is operating in tandem.

That, briefly, is the way the bank operates in Russia, and this mechanism really is working, although the volume of financing is not so great at the moment compared with the scale of activity in Nizhniy Novgorod Oblast. The experimental projects that are under way in Nizhniy Novgorod and Tula will soon spread to Tomsk, Premier Viktor Chernomyrdin confirmed in his speech in the Tavricheskiy Palace.

The Russian emphasis in the EBRD's activities markedly strengthened when Jacques de Larosiere became president, many financial experts acknowledge. The new bank chief has already managed to do a great deal to restore the EBRD's reputation and confidence in it, following the scandal resulting from overexpenditure on its own needs under his predecessor. [Portanskiy ends]

At the very same time (16-19 April) as the bank forum organized by the EBRD was taking plce with great pomp and ceremony in the Tavricheskiy Palace, on the other side of the road, in the famous Kikin Apartments, another international conference was in progress. The conference, organized by the European Investment Journal and the "Dixon" company, also attracted the attention of banking and business circles.

The idea of the "Dixon" firm's conference was simultaneously to present a number of St. Petersburg projects that had been selected for Western businessmen to look at and possibly invest in. The conpany's experts had carefully studied and analyzed more than 300 promising projects and finally selected around 20 for this review. They inluded projects by the "Impuls," "Pozitron," and "Balt Elektro" science and production associations and a number of others.

The techniques and methods of assessment used by the "Dixon" firm differ from the EBRD's expert evaluations. The EBRD goes for large-scale projects, whereas the "Dixon" company's experts believe that, given the political and economic instability in Russia, Western businessmen are unlikely to put their capital at risk, therefore it is more realistic to expect them to participate in small but well planned and well costed projects.

Although Company President Mark Dixon criticized the EBRD and believes that its current leadership needs to overcome bureaucratic tendencies in its work and make more flexible use of the bank's potential for active involvement in the Russian market, he is prepared to participate in some EBRD projects.

Having studied the current situation, the "Dixon" company's experts arrived at the conclusion that around 10,000 Russian enterprises can lay claim to real investment support on the part of the West. At the same time, every year only around 500 out of approximately 50,000 promising projects find investors, so Western companies and firms need to step up their activities in this sphere, Mark Dixon stressed.

At the final press conference on the results of the meeting the "Dixon" company president announced that St. Petersburg City Hall officials had done their level best to prevent the conference from being held in the Kikin Apartments and even tried to wreck it. This is intolerable, Mark Dixon believes, in a civilized democratic society in which people should be free to express different views and opinions.

Moscow, Government Aides Discuss Conversion

PM2104144594 Moscow ROSSIYSKIYE VESTI in Russian 21 Apr 94 p 4

[Nikolay Myakinnik report: "Dual-Purpose Technology Helping to Produce Competitive Goods"]

[Text] **Conversion**

Having started on the new stage of conversion three to four years ago, America and Russia have since gone their separate ways. In 1989, according to the evidence of Viktor Glukhikh, chairman of the Russian Federation State Committee for the Defense Sectors of Industry, weapons formed 30 percent of the total U.S. export volume but by last year the figure had already risen to 60 percent. In our country, however, that indicator has fallen from 38 percent to 5 percent. A strange combination of processes, is it not? Who stands to gain from this? What is the best way to use market conditions to sustain the efficiency of the defense complex assuming indeed the task is not to wreck it entirely?

It seems that the program for the conversion of defense enterprises in the Moscow region is proving a good support for the corresponding all-Russia program. It could serve as model for it or even a prototype. This would seem natural after the examination of the question at a joint session of the Moscow Government and the Russian Federation

State Committee for the Defense Sectors of Industry collegium which was held at Moscow city hall.

What is the basis of this proposition? Primarily the principled aspect of the matter. We are talking about close cooperation between interested departments at all stages of the formation and implementation of the program. There is a clear orientation emerging toward the economic efficiency and social importance of projects. The balanced nature of the sides' priorities is in evidence. It is proposed that national economic tasks be resolved not by destroying the defense enterprises but by making intelligent use of their potential.

The implementation of the "Conversion—to the City" program will make it possible, among other things, to retain around 15,000 jobs in the scientific sphere at defense enterprises and, consequently, around 65,000 jobs in production at large. All this will be accompanied by additional growth in the production of output.

The significance of the Moscow region's conversion program for the whole of Russia is also due to the fact that over half of the industrial potential and over one-third of the scientific potential of the entire defense complex is concentrated here.

The program's features include the extensive use of dual-purpose technologies in the design of military hardware and civilian output and the creation and modernization of capacities for the manufacture of competitive consumer goods. It is planned to resolve some major urban problems pertaining to fuel and energy, transport and communications, ecology, health care, and security. The agenda includes the flotation and privatization of defense enterprises, the active attraction of foreign investments in conversion, and the competitive selection and expert appraisal of projects.

Nevertheless, past mistakes meant that specialists had to focus their attention equally on ensuring the creation of conversion projects and on their implementation. It is the emphasis on part two which distinguishes the present program from its predecessors. Success will undoubtedly be predetermined by the implementation of mechanisms for supporting the promotion of projects, monitoring and prompt regulation, and informational and analytical support.

The "Conversion—to the City" program includes over 1,000 scientific research and experimental design projects. Funding for them amounts to 160 billion rubles [R]. There are 396 projects envisaging starting industrial production of products and delivering them to the consumer. Financing amounting to R259.1 billion is guaranteed here.

The considerable increase in funding for defense projects compared with last year was received with satisfaction by the defense enterprises' general directors who took part in the work of the collegium. However, it is difficult to rebuild what has already been destroyed in the military-industrial complex, of course. But a thrifty attitude not only to the scientific, technical, and cadre potential of the military-industrial complex but also to the unique experience of the management of that complex, which effectively ensured its efficient work in the past, should help to guard against new losses.

Experience, incidentally, warns against haste in the implementation of the privatization program in the defense sphere. Taking that experience into account, Moscow Mayor Yuriy Luzhkov warned of the danger that state secrets will be in danger if the controlling block of shares in a defense enterprise is owned by people providing finance from abroad. At the very least the process of privatizing such enterprises must not be hurried. The best thing to do is to give the producers and scientific collectives the right to settle their own future themselves. Igor Fedorov, rector of the Bauman Moscow State Technical University, urged government organs to ensure that question of privatizing state higher educational institutions should not even be raised.

Despite the present depth of study of conversion problems, a depth achieved largely the hard way, there are still questions which need to be reviewed. Conversion, sometimes applied to technologies whose level is low compared with the potential of the military-industrial complex, is proceeding as if by horse and cart. But that cart can and must be like a tank, an aircraft, or a missile, where our technologies are unsurpassed.

At the same time it is necessary to bear in mind that the whole arms trade on which reliance is now being placed can at a later date turn out badly. Germany, for example, bought a modern tank from us and then took out dozens of patents on the basis of that tank. The fear is that in a few years' time we will have to pay for the right to use our own asset. But this suggests the way ahead. The intelligent organization of patents and licenses and the skillful protection of this country's inventions and know-how together with their subsequent sale in the market could produce more than the sale of any commodity.

Conversion is not a mountain stream which goes on flowing regardless of our will but a complex production, organizational, economic, and social process demanding skillful management. It would be best for Russia if this were done not from Capitol Hill (prompting us toward unilateral disarmament) but from a hill in Moscow.

Stock Exchange President on Privatization Program

MK2104125094 Moscow NEZAVISIMAYA GAZETA in Russian 21 Apr 94 p 2

[Vladislav Kuzmichev (NEGA) report in the "Privatization" column: "The Russian Stock Exchange President Charges Anatoliy Chubays. Formation of a New-Type Political Party Begins"]

[Text] Yesterday Igor Suvorov, president of the joint-stock company Russian Stock Exchange [RSE], held a press conference. According to the RSE president, the upcoming termination of the circulation of the voucher as a state security has provoked special activity by the State Property Committee [Goskomimushchestvo], in the person of Anatoliy Chubays who, while the privatization program has virtually collapsed, is trying to regain the initiative from the Economy Ministry and usurp the power to regulate the securities market through the infrastructure created by Goskomimushchestvo.

The seminar for stock market makers, to be convened on 23 and 24 April by the Securities and Stock Exchange Commission under the Russian Federation president, in Suvorov's opinion, is in fact the beginning of the formation of a new type of political party. It is sponsored by the state itself as represented by the ministries and departments which have discredited themselves in the sphere of privatization.

The statement also noted that Mr. Chubays is trying to resolve the problem of the enterprise directors corps not on an economic basis but by regimenting its activity and assuming the function of regulating investment flows.

According to the RSE president, the approach that is being imposed objectively leads to crime because it envisions a multi-stage scenario as a result of which the capital market will move from an organized to a cash basis [ot organizovannogo k nalichnomy], which corresponds to the interests of shadow structures.

Military & Nuclear Issues

Commander Confirms 'Zero' Targeting of Missiles

PM2104155594 Moscow IZVESTIYA in Russian 21 Apr 94 pp 1, 2

[Viktor Litovkin report: "Russia's Missile Guard Increased by Nine Topols"]

[Text] Yoshkar-Ola-Moscow— This was unprecedented. The until recently top-secret strategic missile regiment belonging to the Kiev-Zhitomir Order of Kutuzov Missile Division deployed in Yoshkar-Ola inaugurated the performance of alert duty in the presence of Mariy-El Republic President Vladislav Zotin and before the gaze of television journalists, pressmen, and photographers, among whom were IZVESTIYA special correspondents.

The regiment comprises nine RS-12M Topol road-mobile delivery vehicles. Journalists were shown the holy of holies—the alert forces' fixed command post which controls the launch of missiles, the launch area equipment, its protection and defense system, and the guard quarters where the missilemen perform their alert duty—and had all the questions that interest us, including where the missiles are targeted, answered.

Before giving you that answer I would inform you that the regiment was assembled out of different pieces, as it were. Its officer backbone is made up of men who served in the missile unit belonging to the 43d Vinnitsa Army stationed in the settlement of Lebedin, Suma Oblast, Ukraine. The regiment was once equipped with SS-20 Pioneer intermediate-range missiles, which were destroyed some years ago under the Treaty on Intermediate-Range and Shorter-Range Missiles. The new equipment was received last August from the city of Postava, Belorussia [Belorus], from the Topol strategic missile division which was disbanded there and withdrawn from the republic's territory.

These systems replaced some of the RS-12 (SS-13 according to the U.S. classification system) fixed-site missiles with which the Yoshkar-Ola division is equipped. Officer retraining took six months, and they entered on alert duty on their new systems on 19 April.

It is also interesting that the regiment disbanded in Ukraine was created in Akhtyrka in 1655. It was the oldest military unit in Russia and had taken part in the Battle of Poltava. By edict of Empress Elizabeth the regiment was named the Akhtyrka Hussars. It was commanded at the battle of Borodino by General Denis Davydov, who took it as far as Paris. Lermontov and Alyabyev served there...

Now its colors and combat decorations, including the Orders of the Red Banner, Kutuzov, and Bogdan Khmelnistskiy are kept in the Central Museum of the Armed Forces.

The missile officers, I was told by assistant commander Lieutenant Colonel Vitaliy Lezhanin, have asked the Defense Ministry leadership to restore the memorabilia and the honorary title to them, but only time will tell whether the General Staff will heed them. In the opinion of those who perform alert duty today, they have every right.

Colonel Vladimir Kashkin, the commander of the regiment, told me that he doesn't know what his missiles are targeted on. Only the General Staff has such information. But division commander Major General Musa Tsegoyev clarified the position, stating that under the strategic missile agreement with the United States, strategic missiles have "zero" targeting and that their mission will only be programmed at a time of threat. They maintain watch to deter any potential aggressor so that never comes to pass.

The missilemen's unprecedented openness in inviting journalists to see the regiment's entry on alert duty is, in my view, not just a desire on their part to report gradually on the execution of their international commitments. There is another reason for this too. As is well known, the former Russian Supreme Soviet did not ratify START, but the reequipping of the missile division in Yoshkar-Ola and the disbandment of strategic regiments in Belorussia and Ukraine constitute the implementation of that treaty.

Russia will keep its word, although the parliamentarians have not turned this word into law.

Fleet Commander Denies Radiation Danger Story

LD2204102194 Moscow ITAR-TASS World Service in Russian 0136 GMT 22 Apr 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok, 22 Apr (ITAR-TASS)—Following an item published in TOKYO SHIMBUN newspaper, Pacific Fleet commander Admiral Georgiy Gurinov denied reports about the danger of radiation from broken-down Russian submarines. "Clearly, certain circles in Japan have felt the need to whip up passions over the problems involved in burying radioactive waste," the admiral declared in an interview with an ITAR-TASS correspondent after hearing of a recent item in the Japanese newspaper claiming that the Pacific Fleet is keeping four nuclear submarines laid up "in an extremely dangerous state, since the nuclear fuel has not been removed from them owing to accidents and faults that occurred during their activities as part of the Russian Pacific Fleet."

We thank the Japanese paper, the admiral remarked, not without irony, for displaying its concern for Russian citizens. But Japan has enough problems of its own. It too discharges liquid radioactive waste into the sea. Yet no one creates any particular fuss about it on the islands.

But it is not only our neighbors, Georgiy Gurinov said, but also specialists in the United States, France, Britain, and other developed countries who are struggling, so far unsuccessfully, to solve the problem of what to do with the harmful waste. Like us, they too either discharge it into the sea or bury it in the ground.

As for the "four submarines", the admiral commented, first the figure is exaggerated, and second they are being reliably monitored and constitute no danger to the inhabitants of the Primorye and even less to the Japanese. The vessels have been withdrawn from the Pacific Fleet's complement of vessels, the reactors are idle, and, in time, they will be broken up.

The whipping up of passions, Georgiy Gurinov stressed, is a tried and tested device of some politicians. In order to achieve their aims, they even fail to notice the obvious fact that the recent tripartite expedition of the scientific research vessel Okean, which toured the radioactive waste dumping sites, convinced world opinion that the radioactive background in the Sea of Japan is within normal limits.

"I can state authoritatively," the Pacific Fleet commander assured the correspondent, "that there is no danger to anyone from the submarines in question, and, if no means of processing the radioactive waste on shore is found, life itself will force us to discharge it into the sea again."

Ministries Implore Premier on Radioactive Dumping

MK2204072094 Moscow NEZAVISIMAYA GAZETA in Russian 22 Apr 94 p 1

[INTERFAX report under the "In Brief" rubric: "Caring for Purity of Seas"]

[Text] As has become known from informed sources, Russia's Foreign Ministry and the Ministry of Environmental Protection and Natural Resources have forwarded to Premier Viktor Chernomyrdin a joint statement speaking of the need to resolve as soon as possible the problem of liquid radioactive waste in the Far East. In order to prevent yet more radioactive dumping in the Far Eastern seas, the document suggests that radioactive waste processing units be urgently manufactured and delivered to the Far East. It is suggested that 5 billion rubles from the government's reserve fund be set aside to support these and other urgent measures.

'Unique Technologies' for Nuclear Waste Processing

LD2204100494 Moscow ITAR-TASS in English 0916 GMT 22 Apr 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow April 22 TASS—"Russia has absolutely unique technologies for the complex reprocessing of chemical warfare agents and nuclear wastes, which have no match in the world," member of the Engineering Academy Mikhail Sviderskiy said on Thursday, addressing a plenary meeting of the second international conference for chemical disarmament—"Moskon-94".

According to Sviderskiy, Russian scientists have developed and experimentally tested several production cycles for the complex reprocessing of chemical warfare agents and nuclear wastes. This allowed them to obtain new materials with quite unusual characteristics which, in the opinion of the expert, may be used in 21st-century technologies.

Sviderskiy said that the simultaneous reprocessing of chemical warfare agents and nuclear wastes would allow scientists not only to obtain materials with unique properties, but also to utilise huge quantities of depleted uranium accumulating on the planet. In order to process it into valuable products, Sviderskiy believes, "we need an international programme involving all the advanced countries. Excessive amounts of nuclear wastes have been accumulated in the United States, France, Britain, Germany, and also Russia. They are just as dangerous for the planet's ecology as the existing stockpiles of chemical warfare agents.

ITAR-TASS was told by Academician Valentin Fedorov, who is also attending the conference, that chemical disarmament should not only make up for the spendings made on the production of chemical warfare agents, but should also yield profits to the Russian treasury. In his opinion, only the reprocessing of lewisite into extra-pure arsenic will yield Russia profits running into many billions and will provide top-quality raw materials for new technologies in the most advanced sectors of industry. "We must not forget," the scientist stressed, "that Georgia, our traditional supplier of arsenic, has stopped selling it to Russia. In the meantime, the need for pure materials of this group is growing. For instance, the United States will need more than 100 tonnes of extra-pure arsenic by the end of this century only for its electronic industry. Other countries are also badly in need of arsenic.

Chemical disarmament, based on technologies proposed by Russian scientists, Fedorov believes, meet the national interests of Russia. "We must rely on our own forces, and we have no right to wait for somebody else to resolve our Russian problems," he stated.

Russia 'Unilaterally' Converting Chemical Production

MK2104105094 Moscow NEZAVISIMAYA GAZETA in Russian 21 Apr 94 p 2

[Andrey Vaganov report under the Forum" rubric: "Chemical Arms Should be Destroyed. The Whole Question Is How, Where, When?"]

[Text] The International Conference on Chemical Disarmament is winding up its work in Moscow today. Its organizers are the Committee for Conventional Problems of Chemical and Biological Weapons under the Russian Federation president, and the Russian Academy of Sciences. This is the second such international meeting since Russia signed the convention banning chemical weapons in Paris a little more than a year ago. As of today the convention has been ratified by five states—Sweden, Norway, Fiji, Mauritius, and the Seychelles. In order to go into effect the convention should be ratified by at least 65 states (this is expected to happen this summer).

In the words of Academician Anatoliy Kuntsevich, who spoke at the conference and who until recently chaired the Committee for Conventional Problems, it was clear right from the start that implementation of the convention posed Russia a number of difficulties, primarily economic ones. Russia, nevertheless, intends precisely to act on its obligations. Our country's withdrawal from the convention would in fact mean scrapping the convention, with tragic consequences for all humanity.

Academician Kuntsevich also stated for the first time that Russia, without waiting for the convention to go into force, had already started unilaterally converting to other uses the available technical potential for the production of chemical weapons (this in particular true about the facilities in Volgograd Oblast). The equipment has been partially destroyed and scrapped at factories producing the saman and sorin toxic agents.

The keynote of many reports at the conference was the need to reach a public and federal accord on the destruction of chemical weapons in Russia.

Security, Counterintelligence Services To Cooperate

MK2204092094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 22 Apr 94 p 1

[Vladimir Kartashkov report: "Marriages of Convenience. Special Services Reach Agreement"]

[Text] The Russian president's Security Service and the Federal Counterintelligence Service [FCS] signed an agreement on cooperation 20 April.

To all appearances, the agreement is a provisional measure. Cooperation between Russian secret services has always been based on oral agreements between "cloak and dagger knights," which has often caused conflicts over trifles. Despite all reorganizations, the FCS, which was proclaimed the legal successor to the Russian Security Ministry, still has the most extensive logistic base, which any former KGB department would be eager to use. As a matter of fact, the FCS budget includes money for logistic support, medical service, and training for all other special services.

First of all, the Security Service and the FCS agreed to cooperate and to exchange information on terrorism "instigated and carried out by foreign special services" and "aimed against the Russian Federation president and the state's security." And also on "unconventional forms of operations...by foreign special services" (the conventional forms include recruitment and technical intelligence, while the unconventional ones are exemplified by the hullabaloo over "red mercury"). To this end, the Security Service and the FCS undertook certain obligations. The FCS will help the presidential security service to screen those suspected of conspiring to carry out terrorist acts and to organize certain operational-technical (bugging, hidden video filming) and operational-search measures. In addition, the FCS will take part in the search for "means of technical penetration into Security Service facilities" and help the Security Service train its personnel in its educational and training institutions. The Security Service will be able to use the FCS library and computerized data bases free of charge.

The Security Service's obligations are much more modest—first of all it must inform the FCS about persons who are reported to harbor "criminal intentions." A separate paragraph stipulates that when receiving compromising information about any FCS member the Security Service is obliged to pass this information to Lubyanka. The FCS, however, does not have to hand over to the Security Service information about presidential bodyguards suspected of committing a crime, because the Chekists deal with corrupt officials ex officio.

The agreement is not limited in time, but any of the contracting parties may abrogate it by sending a written notice. This confirms that the creation of a community of Russian special services under the president's aegis is still possible. For the time being, however, the special services prefer to conclude agreements between themselves. A week ago, the FCS signed a similar agreement on cooperation with the Russian Foreign Intelligence Service.

Navy's Kasatonov on Status of Battle Training

LD2104164294 Moscow ITAR-TASS in English 1446 GMT 21 Apr 94

[By ITAR-TASS correspondent Vasiliy Belousov]

[Text] Murmansk April 21 TASS—"If Russia loses her naval power, she will lose her status as a great power as well. Our navy will, as earlier, serve as the watch-dog of the country", first deputy commander-in-chief of Russia's Navy Admiral Igor Kasatonov said on Thursday.

The admiral, who arrived in Murmansk to participate in the northern fleet's military maneuvers, heads the state commission on the preparation for the 300-year anniversary of the Russian fleet. He emphasised that the Russian fleet was created by the whole country, and so the celebration of its anniversary will be not a departmental, but a nation-wide event.

Speaking about the military readiness of the country's naval forces, Admiral Kasatonov said, "the results of the first stage of battle training are now being analyzed on all the fleets. On the whole, I am satisfied with them. But there are some things which need to be worked upon. In particular, we need to give our sailors more time on the open sea. I think we will be able to correct that problem during the summer", he said.

Organizational Structure of Mobile Forces Viewed

MK2104104094 Moscow NEZAVISIMAYA GAZETA in Russian 21 Apr 94 p 1

[Report by Colonel Robert Bykov in the "Version" column: "'Mobile Forces' in Russia. An Organization and Control Option"]

[Text] The deteriorating material and spiritual situation of the Russian people is constantly threatening a sharp social protest by the masses in various forms, including an explosion.

The authorities need a counterbalance. The OMON [Special Purpose Police Force], the Spetsnaz [Special Forces], Internal Affairs Ministry units—these are like a sand damn against a big river: effective for a short period and with small-scale developments.

A more reliable barrier is needed, a new defense ring. This ring could be so-called "mobile forces," to whose creation Russian Defense Minister Pavel Grachev is devoting much time and effort these days.

The 3-4 October 1993 events showed that the action against the White House was actively supported only by a few prominent generals. At the same time the General Staff—apparently owing to its unreliability—was disconnected from lines of communication with the city and troops for the entire period of crisis.

It is known that an overwhelming majority of chief commanders and commanders at the Defense Ministry Collegium meeting did not express their support for plans to use tanks to storm a civilian installation. It can be assumed that many Russian officers in the provinces, who have not received their monetary allowances and food rations for two to three months, living with their families in dismal apartments or wooden barracks, hardly sympathized with those storming the White House. In the end the victors themselves admitted that in October everything "was hanging by a thread."

Was this not a reason why the possibility of employing armed forces to accomplish internal missions was included in Russia's new military doctrine? The concrete manifestation of this provision can be seen in the structure and methods of organizing the "mobile forces."

Nearly all combat-ready general-purpose divisions (brigades) can be formed into a single fist directly subordinated to the Russian president and defense minister. A special command and control post is set up with independent communication and automated control systems. (It is a good thing that they were designed way back under the direction of the General Staff's 8th Main Operations Directorate within the Warsaw Pact Joint Armed Forces structure). The command and control post can well be accommodated at the Moscow Military District's Signal Brigade. In the Moscow area of Sokolniki there is a ready-made complex of installations fit to station such a post. A "toy" of the "nuclear briefcase" kind could be made for President Yeltsin, creating the illusion of administering division command.

Airborne divisions will possibly be combined with military transport aviation divisions (regiments); airborne assault brigades (regiments), with helicopter units; marines, with amphibious ships. All effectively combat-ready motorized infantry divisions (currently one to two in a military district) will be transferred from district operational command, to be subsequently included into the "mobile forces." And of all this will be commanded by a single, independent operational directorate.

The entire "mobile force" structure will have uniform command and control signals corresponding to the main troop combat employment orders. In accordance with manuals and combat regulations (i.e., under Russian Federation laws), their execution is compulsory for all units and formations.

At any moment, in any region of the country, in any branch of the Russian Federation Armed Forces, the situation will be under the control of the person standing on top of the command and control pyramid.

Federal Assembly

Factions Critical of Draft Accord Agreement

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[Text] In the course of the discussion on the draft Agreement on public accord held by the State Duma several factions spoke against its signing.

In particular, leader of Russia's Agrarian Party Mikhail Lapshin called it unacceptable. As he said, according to Agrarians, the draft Agreement "goes astray from the Constitution" because it negates the opportunities to introduce changes into the Basic Law, contained in it, and the opportunities for holding early elections. Lapshin compared the agreement with "a tough bridle" for political parties. He also qualified the present situation with peasants in Russia, their "humiliation and oppression" as unacceptable for a civilized society.

On behalf of the Yabloko faction Vyacheslav Shestakovskiy, co- chairman of Russia's republican party, expressed doubt with respect to "the expediency of signing these documents which cannot really lead to any accord." In his opinion, the proposed agreement is a means "to divert the Duma and the government from the real politics and real reforms." At the same time Shestakovskiy underlined that his faction is not against accord and is ready to start a search for it "in practical deeds and parliamentary work."

Representative of Russia's Democratic Party faction Aleksey Leushkin pointed out that his position with respect to the agreement would be determined after the national congress of the Democratic Party of Russia scheduled for Saturday. However, as he said, this document has the aim "to drive everyone into a trap," because the president and the government "who can do nothing to draw the country out of the crisis intend to place the responsibility for this on other people."

Some time earlier leaders of the Communist Party and Russian Pan- National Union Gennadiy Zyuganov and Sergey Baburin were very critical about this document; and chairman of the Liberal Democratic Party of Russia Vladimir Zhirinovskiy set forth a provision that the party would support the agreement only in the case that Andrey Kozyrev, Viktor Yerin, and Anatoliy Chubays resign.

In the course of the debates leader of Russia's Choice bloc Yegor Gaydar declared about his readiness to sign the proposed draft agreement. In his estimate, the agreement says that the public forces take the obligation to act in the framework of the Constitution and the acting legislation and not to act in a way inducive to violence and confrontation. At the same time Gaydar noted that "we understand that there exist certain restrictions when we want to reach accord with those who again want to introduce rationing tickets, to create long lines, and to again pull Russia into a Cold War."

Meanwhile, the presidential aide Georgiy Satarov believes that the agreement "proposes mechanisms ensuring political stability in society" and helps "to remove conflicts" in the relations between the authorities and political forces at the earliest stages.

Deputies Comment

LD2104192394 Moscow INTERFAX in English 1507 GMT 21 Apr 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Interfax is in possession of a copy of the amended draft of a Yeltsin-proposed civic accord to be discussed at a Friday meeting between the president and leaders of various factions. IF Note: Yeltsin himself told regional leaders on Wednesday that the Friday conference would be a final one before the signing ceremony takes place on April 28.

The compilers of the draft have now renamed the paper into Civic Accord and deleted any reference to the 1991 and 1993 events as a cause for a possible social confrontation.

However, they retained the clause binding the signatories to refrain from any destabilizing constitutional amendments though allowing possible amendments in following directions: human rights guarantees, improved power sharing, local self- management and federalization. The clause banning campaigns in favor of early general or presidential elections is also kept intact.

Unlike its original version, the new draft sets down in detail the obligations that the federal authorities will undertake in political and economic areas.

The Federal Assembly is expected soon to adopt legislation on elections, referendums, political parties, the citizens' right to form associations and hold demonstrations and marches or take other social or political actions. The two houses of parliament are also to be responsible for creating a legal groundwork to overcome the country's social and economic crisis and adopting statutes on the government and budget, land code and other acts.

For its part, the government is committed to curb inflation and ensure financial stabilization in 1994: secure higher investment and set conditions for economic growth: ensure the implementation of social partnership principles and so on.

The section of the paper dealing with national security matters has been enlarged. The draft now provides for Speakers of the two houses to be involved in national security council meetings and for appropriate committee heads to take part in the proceedings by interdepartmental council commissions.

The original version authorized a conciliatory commission to raise the question of expulsion of an offending party from the list of signatories for violation of the accord and bring proposals on the accountability of an offender little short of a job dismissal or withdrawal of a parliamentary mandate. However, the new one says the conciliatory commission to made up of representatives of the president, government, the two houses of parliament, Yeltsin's public chamber and Russian trade unions is called "to monitor the observance of provisions laid down in the accord".

The draft's new section on a signing ceremony indicates that would be signatories include the president, parliamentary speakers, prime minister, regional leaders and official representatives of parliamentary factions, Yeltsin's public chamber and Russian trade unions with other parties to follow.

Head of the compilers' team Dr Boris Topornin of the Russian Academy of Sciences said the softening of a wording on the compliance with the accord was one of the main amendments. He said the authors had rejected a proposal to set up a monitoring body to be vested with almost legal powers to punish the offender.

"The main guarantee is not legal or political responsibility but the electorate's attitude. If the public accepts the accord, the signatories could hardly risk their reputation, rating or authority by reneging on their commitments", Topornin believes.

He stressed that none of the representatives of parliamentary groups had raised any objection to the paper as a whole while it was being drawn up. Topornin referred in particular to a Communist Party representative and quoted him as saying that "when scrutinized, the latest draft can serve as a basis for further work".

At the same time, Topornin thinks the Communists are most likely to give a negative response to the paper. On preconditions set by leaders of the Communist Party and other groups, he said "these have no bearing to the accord as such. I am used to those accusations and reprimands prompted by one off political considerations rather than by the quality of the paper itself".

In a speech to the lower house of parliament on Thursday, Topornin described the paper as being the result of a compromise and non-partisan approach reflecting the interests of the mainstream public sections.

For his part, presidential aide Georgiy Satarov says the document provides for mechanisms of ensuring internal stability and enabling to defuse confrontation between the government and parties at an early stage.

Leader of the Agrarian Party Mikhail Lapshin said his party would not sign the accord because of finding it unacceptable. He said the accord was leading away from the constitution because of denying the possibility of constitutional amendments or early elections. He likened the paper to a stranglehold on political parties.

The mere signing of the paper can hardly result in civic accord, one of the leaders of the Republican Party Vyacheslav Shostokovskiy said speaking on behalf of the Yavlinskiy-led alliance. He said the proposed paper was intended to divert the legislators and government form genuine politics and genuine reforms. However, Shostokovsky denied his faction was opposed to any accord as such pledging commitment to seek it in day-to-day business and law making.

Leader of the Russia's Choice Party Yegor Gaydar said his alliance would sign the paper. However he and his associates "are well aware of the slim chance of reaching comprise with those who want to re-issue ration cards and build up the world's longest queues or drag the country back to the cold war period".

In his view, the accord is intended to bind signatories to act within the framework of the constitution and existing laws but not to resort to violence or confrontation.

Aleksey Leushkin of the Democratic Party of Russia which is opposed to the draft said his party would shape up its stand after a national congress on Saturday. He lashed out against the draft on the grounds it failed to provide answers to crying issues. This also includes a question whether economic problems are to be resolved by a review of the budget or government reshuffle. Leushkin likened the paper to a trap since both the president and government who were unable to lead the country out of crisis wanted to shift the responsibility on others.

There was also a negative reaction to the accord from LDP [Liberal Democratic Party] and Communist Party leaders Vladimir Zhirinovskiy and Gennady Zyuganov. IF Note: In a speech to regional leaders on Wednesday, President Boris Yeltsin said the number of those who opposed the accord was insignificant. "We will not insist they sign the accord but will make their names known to the public at large as people who care least about Russians and Russia's revival", he said.

His spokesman Vyachelslav Kostikov told a news briefing on Thursday that the president was "optimistic about the chances of the accord being signed". He said Yeltsin was "aware that not everyone will sign the paper but is confident that representatives of the mainstream groups will approve it". On some misunderstanding about the signing procedure, Kostikov made it clear that April 28 must be seen as the date of both signing and implementing the paper. In the meantime, it will be open for signing by all parties concerned, he said.

Rybkin 'Not Disappointed'

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[Text] The speaker of the Russian State Duma Ivan Rybkin stated that he not disappointed with the discussion of a draft treaty on civil accord in the lower chamber of parliament on Thursday. Speaking to journalists, he said that speeches by deputies were "adequate considering what is happening in the country."

Rybkin considers that it is far from certain that political parties at their conferences, plenums and congresses scheduled for this weekend will support positions of their parliamentary factions which spoke against signing a civil accord agreement.

"Having been to the most remote regions of the country, where electricity appeared only in the '70s, I get convinced that nobody wants conflict, people are seeking accord," the speaker pointed out.

Rybkin said that during his meeting with the president scheduled for April 22 at 15:00 he intends to discuss with Boris Yeltsin a further course of debates over the draft agreement.

"This is very difficult issue. We should sew with a thin needle, and not to take a pitchfork and thrust it in deputies' sides," the speaker of the State Duma noted.

Deputies Differ Over Privatization Program

PM2204105194 Moscow ROSSIYSKAYA GAZETA in Russian 22 Apr 94 First Edition p 2

[Report by Yevgeniy Skukin: "Passions Over Privatization"]

[Text] What will the second stage of privatization actually be like? After 1 July will Anatoliy Chubays and his team manage to channel this progress toward attracting investments in industry and the development of production? The disputes which flared up over this subject at the parliamentary hearings showed once again how the deputies' political positions differ and how firmly politics and the economy are still welded together.

Summing up the ideologically close speeches of representatives of several factions—Adrian Puzanovskiy ("New Regional Policy"), Vladimir Lisichkin (Liberal Democratic Party of Russia), and Valentin Martemyanov (Russian Federation Communist Party)—one can draw the conclusion that privatization did not have a human face to start with and will not have in the future.

The opponents of A. Chubays' program believe that not one of the set tasks has been fulfilled.

"We will not accept the idea of the suspension of privatization," said Sergey Ivanenko, the "Yabloko" spokesman and deputy chairman of the committee for property, privatization, and economic activity. "Such a step will have no political success." The bloc's concept for post-voucher privatization is as follows: A program is needed for the reorganization of enterprises which are now reminiscence of collective farms. For this it is necessary, first, to create a law on privatization and a system of voluntary bankruptcies. Second, we must move from the mass process of privatization to specific work with each enterprise. And the most important element is that it is essential to expand the front of privatization—to begin to regulate privatization in other spheres."

Anatoliy Chubays, chairman of the State Committee for the Administration of State Property [Goskomimushchestvo], reacted with understanding to the deputies' contradictory assessments of his program—this reflects the feelings of different groups of the population. Some say that the process is dragging one and that privatization must be carried out more rapidly. Others, on the contrary, are speaking of a privatization blitzkrieg. But, A. Chubays explained, the target for the pace of privatization was not formulated by the Goskomimushchestvo and not by the government but... by the former Russian Federation Supreme Soviet. The "privatization program" it adopted states that the Russian Federation Goskomimushchestvo must complete the transformation of small and medium enterprises into joint stock companies by 1 October 1992. So that the privatizers did not even keep to that deadline. "If the State Duma adopts any other laws," A. Chubays stressed, "we shall act in accordance with them."

Monetary Privatization Moves Face Tight Schedule

PM2104153994 Moscow IZVESTIYA in Russian 21 Apr 94 p 2

[Igor Karpenko report: "Anatoliy Chubays: Different Kind of Privatization After 1 July"]

[Text] People at the Supreme Soviet used to attend "privatization sessions" like a bullfight—expecting thrills aplenty. Echoes of the struggle for ownership were also manifest 19 April at the final phase of the parliamentary hearings at the State Duma. There were political attacks from Liberal Democratic Party of Russia deputies and Communists, extremist assessments, and so forth.

Nonetheless, the overwhelming sentiment was more favorable than before, and there was a more businesslike attitude to the results of voucher privatization and the problems of "monetary" privatization. Rather, opponents are persuaded of the futility of trying to change any aspect of the pace and terms of voucher privatization before 1 July—when voucher privatization comes to an end.

Probably the only real threat to the privatizers' plans comes from the proposals to exclude fuel and energy complex property from the auction program at the final stage of the voucher auctions and, after 1 July, to declare a temporary moratorium on privatization so as to "take stock, think everything through," and "not repeat past mistakes." Anatoliy Chubays dealt with the familiar arsenal of accusations about the "wholesale" nature of privatization (there was even a new version—"blitzkrieg") using arguments and normative document paragraphs that are also familiar.

After the hearings A. Chubays told journalists about the task set by Viktor Chernomyrdin of submitting a draft law on the monetary phase of privatization to the government by 1 May. "Work however you like—even day and night," was Chernomyrdin's parting shot to the special commission, "but make sure that there are no shocks when the vouchers are exchanged for rubles."

To be frank, the timetable is very tight. All the more so as, in the opinion of commission head Chubays, two documents will have to be drawn up—a law which parliament should ratify, and a second version, in the shape of a presidential edict, in the event of any possible holdups.

I asked Anatoliy Chubays whether it is possible to hope for even one-tenth of the amount of privatization at the new stage after 1 July.

"Of course," he replied, "there are some natural reasons for the slowing of the pace—there is far less demand for privatization for money than there was for privatization by voucher. But this will not mean a halt; it will merely be a different kind of privatization. I am confident, though, that the reduction will not be tenfold, but far less."

Zadornov Enjoys 'Monopoly' in Control Over Budget

MK2104120094 Moscow KOMMERSANT-DAILY in Russian 21 Apr 94 p 2

[Dmitriy Kamin report: "Mikhail Zadornov Acquires Monopoly"]

[Text] The body of Duma deputies continues to explore actively the rights and functions of legislative power. Yesterday, the subject of a clash between Yabloko and the

NRP [New Regional Policy] was the placing under Duma jurisdiction of the Control- Budget Committee, whose functional possibilities are very highly assessed by KOMMERSANT-DAILY experts.

The Control-Budget Committee (CBC) was created under the Supreme Soviet 18 months ago for financial oversight of the government. Resulting from the September 1993 events, it ended up, in accordance with the president's edict, under the jurisdiction of the Council of Ministers itself. Early in 1994, the government, yielding to the urging of the Duma's budget committee (with Mikhail Zadornov as chairman), restored the CBC to parliament. The Duma lent legitimacy to this action by a decree under which the CBC is supposed to exercise the functions of keeping tabs on the budget. Thus, before a special law on an Accounts Chamber [Schetnaya Palata] is passed, the CBC happens to be in charge of vetting the spending of budget funds (credits, grants, and subsidies), as well as the finances of nonbudget funds. This enables the CBC soon to become a serious Duma tool to influence the government. Zadornov (Yabloko) is planning to use the committee as a foundation on which to build an Accounts Chamber.

The Duma, however, has already elected the chamber's chairman—Khachim Karmokov ("Independent Regional Policy"). Notably, the group's leader, Vladimir Medvedev, was dissatisfied with the actions of Mikhail Zadornov who managed, at the time of voting, to avoid mentioning in the CBC decree the Accounting Chamber's powers. At the same time, the chairman of the CBC structure (under the decree) cannot be confirmed unless presented and approved by the Budget Committee. This amounts to the Zadornov committee's monopoly in matters of budget control until an Accounts Chamber law goes into effect. Remarkably, Medvedev believes that Zadornov has deliberately dragged his feet on passing this law.

Duma Hearings Held on Tax Inspector's Claims

PM2104151394 Moscow PRAVDA in Russian 21 Apr 94 pp 1, 4

[Aleksandr Golovenko report: "Hard Currency Exercise, Or How Foreign Consuls and Ambassadors, With the Help of Government Functionaries, Dealt With Our Inspector"]

[Text] I may be wrong, but I think that nothing of such social importance to Russia as Tuesday's parliamentary hearings in the Security Committee has taken place in the State Duma since the political amnesty. At first glance the agenda appeared more trivial than sensational and intriguing: "On Instances of the Blatant Violation of Tax and Labor Legislation by Officials of St. Petersburg and Russia." On a superficial examination you might have seen a banal case of the sort that used to be heard in the USSR People's Control Committee. Okay, you would have thought, the chief of a tax inspectorate was fired, got himself reinstated via the courts, and was again fired. What does this labor dispute have to do with the Security Committee?

In fact, that was the sort of question a group of committee members "kicked off" with: Should we be getting involved? Wouldn't it be better to send the papers to judicial organs? And why did some of us receive the documents rather late? Wouldn't it be better to set up a commission and recheck everything again?

Committee head V. Ilyukhin, who chaired the hearings, swept aside the unjustified reproaches and called for constructive work. Both we journalists and the committee members were handed a very thick bundle of documents from which the criminal background to the question was perfectly clear. Incidentally, PRAVDA wrote about it in its report headlined "Why Does Filippov Enjoy Authority?" 14 December last year. New details have emerged today.

Dmitriy Nikolayevich Filippov is one of those leaders to whom the so-called "democrats" applied what is in their view an offensive description—"party nomenklatura." Suffice it to say that he headed the Baykal-Amur Railroad headquarters on authorization from the All-Union Leninist Communist Youth League Central Committee and before the smashing of the CPSU in August 1991 he worked as industry secretary of the Leningrad party oblast committee. During the "reform" years he created the tax inspectorate in Leningrad literally from scratch—a totally new and unfamiliar job. And he repeatedly proclaimed the total depoliticization of this structure: All forms of ownership are the same to us, he said. The most important thing is to ensure that people observe the law and pay their taxes. The press wrote plenty about how those former "saviors of the economy," members of cooperatives, concealed income. They brought these same little tricks with them when they turned their shady concerns into small businesses, private businesses, and joint ventures. But how could they conceal dividends from Filippov and his people when they were perfectly well aware of the potential of every plant in the city, large and small? In the meantime he had also set up a tax police—to investigate cases of the concealment of income—and set about tackling the street "commercial stores," which in defiance of all edicts and decrees had not bothered to provide themselves with cash registers. Soon people were coming to see him from dozens of oblasts to hear his experience—after all, it's a new venture! Even City Mayor A. Sobchak held him up as an example. Visiting the inspectorate collective one day, he said approximately the following: "The State Tax Inspectorate for St. Petersburg has rapidly found its feet, and it is to a considerable extent thanks to this that not only do we not have a budget deficit, but we can also do a great deal for people in the social sphere."

He turned out to be a livestock raiser, former sovkhoz director, and later an official at City Hall. The voluble Deputy A. Nevzorov, addressing V. Gusev, asked:

"You removed a first-class specialist, citing some sort of omissions. But he probably has no equal in the whole of mother Russia. And in his place you put someone with no experience of tax affairs or the fight against swindlers."

The chief tax inspector, red-faced, did not know what to say to the hail of questions. Why did D. Filippov, whom he had earlier praised and held up as an example, overnight become "no good"? Who made the call from the Council of Ministers that led to his dismissal? If he was held to be responsible for "omissions," why did the wording of his dismissal say "staff cuts"?

In his address to State Duma Chairman I. Rybkin the dismissed person explained the persecution as follows, in particular: "According to Yu.M. Ulyanov, deputy chief of the Russian State Tax Service, the reason was a letter from St. Petersburg Mayor A.A. Sobchak and pressure from First Vice Premier Ye.T. Gaydar...."

I can also quote an extremely piquant bit of the information supplied to committee members and journalists. It says that A. Sobchak, A. Chubays, Ye. Gaydar, and former Finance Minister B. Fedorov are implicated in the "unexplained dismissal" of D. Filippov.

See what levers of power the aggrieved ambassadors and consuls had to use to get rid of the overly intractable and incorruptible financial inspector! But neither Chubays, nor Gaydar, nor Fedorov, though they were invited, honored the committee session with their presence or were able to provide explanations "regarding the reasons for the dismissal."

In their speeches representatives of the counterintelligence services, the Security Council, the tax police, the Russian Federation Prosecutor's Office, and Deputies S. Govorukhin, Yu. Vlasov, A. Nevzorov, N. Krivelskaya, and others spoke of colossal embezzlement of the country's natural resources and hard currency and the huge sums ending up in foreign banks. Just as you can tell the chemical composition of an ocean from a single drop of water, the rejoinders noted, so you can tell from this single case that Russia is being robbed. And the most terrible thing of all is that an incorruptible and professional specialist has fallen foul precisely of government officials. So whom do they serve? The conclusion is obvious: We are no longer masters in our own country if a principled civil servant acting in the interests of his own country can be simply dismissed at the whim of a foreign consul or ambassador.

Summing up the debate, Committee Chairman Viktor Ilyukhin said the following: There is money in Russia. Enough for the miners, students, and teachers as well. But it is being artificially pumped into commercial structures. Statehood is being deliberately destroyed: Millions of people are suffering from mutual nonpayments, plants and factories are at a standstill. And the blame for this lies not least with the government, which, as we have seen, has very little interest in filling the state exchequer.

The "great deal" consisted of bread subsidies, grants to people on low incomes, free lunches for schoolchildren, free travel for pensioners, and so forth. In fact, this was indeed the explanation: By putting the squeeze on wheeler-dealers who were concealing their income and tax-dodging, Filippov's service was doing a lot to boost the city and republic budgets. And, it transpires, he was serving not the regime but the teachers, medics, students, and staffers of scientific establishments who experience constant wage arrears thanks to the government, forcing them to go on strike. Filippov hired proven, competent people, even KGB officers, it is said.

Of course, the checks, indictments running into many pages, and fines irritated the wheeler-dealers ensconced in many enterprises, commercial structures, and private stores. The city's chief financial inspector began to receive phone calls from City Hall advising him to "go easy." Here are just a few instances from his account to the committee:

"When we touched on a kind of sacred cow—the property fund—we were simply staggered by the scale of the swindling. As a result of the inspections we discovered 6.623 billion rubles [R] that had not been distributed (in other words, concealed—Editorial Office). Of course, they got a fine of R400 million, plus 10 percent of the sum that ought to have been paid into the budget. As I'm sure you realize, nobody would like that sort of thing. Furthermore, it transpired that 44,000 vouchers had mysteriously vanished in this privatization establishment, and Fishkov, deputy general director of the fund, was arrested over missing checks worth R134 million...."

It also transpired that, in defiance of the law, the fund had privatized virtually entire neighborhoods and port installations. But nevertheless, it turned out that the real point lay elsewhere. The fund did not pay all revenue into a special account, but, as it were, "lent" it to commercial banks are a ridiculously low interest rate—all of 2 percent!

"We are not children," Dmitriy Nikolayevich said to the deputies, "and we must realize that businessmen are not given such incredible benefits merely because somebody likes the look of their face."

The real storm erupted when D. Filippov set up a special group to inspect joint ventures. He even managed to get in here, where not every investigator would poke his nose. And, just think, the very first audit of the "Europa Hotel" uncovered a staggering picture of theft. This joint venture preferred to keep its dividends in Stockholm, naturally without paying a cent into our budget. The financial inspectors fined the Swedes $5 million, but, as Dmitriy Nikolayevich said, "it will take a lot more sweat to make them return the $25 million working for the Swedish economy."

The inspectors also trod on the toes of the "Lenraumamebel" joint venture, so greatly admired by A. Sobchak. This respected establishment has used almost free raw materials and cheap energy and manpower to manufacture furniture and has sold almost 90 percent of it abroad for hard currency. And that is where the currency stayed, aiding the "revival of Finland."

"When we made the Finns return the hard currency and pay taxes," D. Filippov continued, "a team of ambassadors and consuls was turned loose on me. They accused me of 'sabotaging Yeltsin's policy.' My reply was: I am precisely supporting his policy by making you fulfill his edicts and our laws."

It was noticeable how journalists sitting alongside each other exchanged glances when the speaker disclosed the following detail—The ambassadors and consults hinted to him: Who has got to call you for you to leave our joint ventures in peace? Sobchak? A member of the Russian Government?

The call soon came.... On 11 October, after the well known tragic events (as the assembled company immediately noted), V. Gusev, Russia's chief state tax inspector, fired D. Filippov without any explanation. Filippov was not intimidated and was reinstated via the Sverdlovskiy Rayon people's court in Moscow. But then there came an apparatus ploy familiar from the old days of reprisals against refractory people's control workers and other inspectors—on 3 November a directive by V. Chernomyrdin himself appeared which seemingly abolished D. Filippov's post in St. Petersburg. His duties were entrusted to someone else, who was given the status of deputy leader of the Russian State Tax Service. What kind of a person was this?

Need for Laws To Regulate Nuclear Industry

PM2104154194 Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 94 First Edition p 1

[Sergey Brusin transcript of comments by Gennadiy Kalistratov, chairman of the State Duma Energy Subcommittee, under "In the State Duma" rubric: "Gennadiy Kalistratov, Chairman of the State Duma Energy Subcommittee: Law Still Not Written for Reactor"]

[Text] Nonpayments and the shortage of fuel and resources needed for normal operation are paralyzing the nuclear power industry. But even the country's first-ever Law "On the Utilization of Nuclear Power," which would have helped to eradicate many problems, passed two readings in the Supreme Soviet and...sank into oblivion.

The editorial office asked Gennadiy Kalistratov, chairman of the State Duma Energy Subcommittee, to tell us what, in his opinion, the legislative line on nuclear power should be.

[Kalistratov] To begin with, the draft of the stillborn law must be resurrected. Section 1 of it describes the evolution of a nuclear facility from conception to dismantlement. Mutual relations between the center and the regions are specified in the organizational and financial respect. Section 2 comprises compensation (moral, physical, and property) for both individuals and territories in the event of accidents. The responsibilities of components and authorities are set out.

A number of problems not covered in the draft law should be considered legislatively. For example, long-term storage of solid and liquid waste on the territory of stations and construction of regional burial sites. As well as questions of operating AES's [nuclear electric power stations] and market conditions. It is worthwhile to work out and incorporate into a normative document a mechanism for denationalizing nuclear power units. It is useful to utilize foreign experience here. Thus, in ancient "market" countries—Britain and France—the nuclear power industry is run by the state. This is evidently the most acceptable option for Russia. But the practice of private U.S. companies operating nuclear facilities is premature for us, bearing in mind the economic and technical might of these companies. In a period of reform and instability it makes more sense to leave the running of AES's exclusively to the state.

It is no less important to legislatively stimulate specific territories' interest in the construction of AES's. The three-stage coordination which exists in our country is retarding the solution of this question. The West has switched to a two-stage system: the local council and the government.

The funds received in the form of taxes from AES's are almost completely seized by the oblast. Sometimes the profits tax is shared out as follows: one-third to the republic budget, almost two-thirds to the oblast budget, and a mere one-tenth to the rayon in which the AES is located. Consequently the rayon has no objective interest in the AES. It undoubtedly makes sense to review the proportions of payments to the budget.

Furthermore, there is now an acute need to define the legal status of the 30-km zone's area and to indicate its rights in relation to a station and the economic foundations of development.

A special question is posed by the legislative definition of legal responsibility for circulating incorrect data on the effects of operating an AES and its effect on the environment. It is not only a question of ethics and politics but also one of economics. The point is that our country is one of the five world leaders in theoretical physics, technologies, and reactor construction, and in the spheres of enriching uranium and operating AES's. Russia has great export potential, and export earnings could maintain nuclear power collectives' prosperity for the entire period of market reforms and could even cover Western credits. Our country is now at the epicenter of a fierce clash between Western reactor construction competitors for a place in the market. A particularly keen struggle is going on for the East European, Near East, South Asian, and Far East zones of influence. An even more insidious aim is being set: To squeeze Russia out of...Russia itself. That is, to replace domestic equipment with Western equipment, payment being made in clean energy conveyed via a power line. And we are "kindly" being left with the nuclear waste. If this happens our domestic scientific and technological and operational experience will disappear forever.

Therefore an "ideological" struggle also lies ahead on the legislative level. Russia must have a national nuclear energy development program which matches its potential. A law approving this program is bound to become the mainspring of a whole package of normative documents in this sphere.

Duma To Consider Lifting Yugoslav Sanctions

LD2204084194 Moscow ITAR-TASS in English 0825 GMT 22 Apr 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow April 22 TASS—The Russian State Duma decided on Friday to hold parliamentary hearings on lifting sanctions against Yugoslavia.

The proposal was made by Aleksandr Vengerovskiy, deputy chairman of the Liberal Democratic Party of Vladimir Zhirinovskiy.

He also proposed to invite to the hearings representatives of all conflicting sides in former Yugoslavia.

Vengerovskiy said that, according to his information, representatives of Yugoslavia, Bosnian Serbs, Krajina Serbs, and Croatia "had already expressed the wish to participate in such hearings".

Regional Affairs

Chechnya Calls 'Moratorium' in Talks With Russia

LD2104143694 Moscow INTERFAX in English 1127 GMT 21 Apr 94

[Text] The Chechen Republic does not intend to hold consultations with Russia, if political forces in opposition to the republic's president take part, Interfax was told by President Djokhar Dudayev, who added that today any Russian-Chechen negotiations and consultations are possible either at the summit level or between foreign ministers. "All the rest is indecent gambling. We have a large reserve of tolerance but it has its limits," he said.

The Russian president's chief of staff, Sergey Filatov, told Interfax earlier that Russian-Chechen consultations involving representatives of the various political forces in the Chechen Republic would take place in Moscow.

"Those called the Chechen opposition are criminals which settled in Moscow and are stirring up trouble to suit the interests of political profiteers. If Russia wants to negotiate with criminals, it is its own business," said Dudayev.

At present there is no political force in Russia which would fully control the situation and bear responsibility for the decision-making, said Dudayev. As to Boris Yeltsin, who is, indeed, the last and the only stronghold of legality in Russia, he, regrettably, is virtually barred from effecting control over the development of the Russian-Chechen relationships, said Dudayev.

That is why, he said, the Chechen government raises the question on the temporary moratorium for negotiations with Russia.

Filatov: Two Options for Dealing with Chechnya

LD2104163894 Moscow ITAR-TASS in English 1441 GMT 21 Apr 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow April 21 TASS—Officials of the Russian Presidential Staff and Government are expected to meet in May for a series of consultations with various structures of the Chechen Republic to prepare talks between the Russian and Chechen leaderships, Chief of the Presidential Staff Sergey Filatov told TASS on Thursday.

He believes that "the public feelings in Chechnya, especially among the opposition to current President Dzhokhar Dudayev, are increasingly proving to the republic's aspiration for closer ties with Russia".

In contrast to Russian Minister for Nationalities and Regional Policy Sergey Shakhray, Filatov does not link the proposed talks to early elections in Chechnya. However, he still presses the republic for recognizing its status as a subject of the Federation and for concluding a bilateral agreement similar to that between Russia and Tatarstan. Chechnya has not yet clarified its stand on these two issues Russia lays down as the necessary condition for talks to get under way, the chief of the presidential staff noted. According to him, the Chechen side submitted its own draft of a bilateral agreement with Russia "which is on the whole quite acceptable for consideration in the course of talks", but remained rather inarticulate as concerns its status within the Russian Federation.

Filatov said Russia had a "tough" and a "soft" options in settling its differences with Chechnya. The "tough" one provides, in particular, for shifting the Russian railway from Chechen territory, since crime and plundering on the railway exceed all bounds. "but before resorting to tough measures, we should try soft ones", he pointed out.

N. Ossetian President Speaks Prior to Moscow Trip

LD2104183894 Moscow ITAR-TASS World Service in Russian 1058 GMT 21 Apr 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 21 Apr—The upcoming parliamentary hearings in the Federation Council and the meeting of the Russian Security Council, both of which will discuss the situation in the conflict zone, are yet another attempt at achieving a peaceful settlement of relations between North Ossetia and Ingushetia, Akhsarbek Galazov, president of the Republic of North Ossetia, said today in an interview with the ITAR-TASS correspondent before leaving by air for Moscow.

Akhsarbek Galazov said that North Ossetia is extremely interested in establishing normal relations with all its neighbors in the North Caucasus region and Transcaucasia. But the multinational people of the republic will not accept strong-arm methods to resolve these questions. Nor should one force the process involving the return of refugees to villages in Prigorodnyy Rayon. This complicated problem must be resolved by conciliation commissions on the basis of the Kislovodsk Agreements.

Speaking of the upcoming signing of the agreement on achieving civic accord in Russia, the republic's president stressed that North Ossetia supports the ideas of this document that are aimed at consolidating all the healthy forces in society.

However, Akhsarbek Galazov noted that "the sides are appealing to national movements and parties to declare a moratorium on putting forward demands for changes to be made to borders and existing administrative divisions." It is necessary to take off the agenda the issue of redrawing borders in the region. Galazov said that this could lead to a new tragedy not only in the North Caucasus, but also in the south of Russia.

Troops Toughen Controls on S. Ossetia Border

LD2104124194 Tbilisi IBERIA in Georgian 1045 GMT 21 Apr 94

[Text] Tskhinvali, 21 Apr—Russian troops deployed at the Russian-Georgian border, stepped up controls at the Roki tunnel near Buron village. Representatives of narcotics businesses, who used to smuggle vast amounts of narcotics, opposed this step. Making the controls tougher also caused discontent among the Ossetian separatists.

An IBERIA correspondent was told at the headquarters of the Georgian peacekeeping troops deployed in Tskhinvali that the Ossetian population of Tskhinvali had held a rally where they demanded that the Russian border troops be moved from the northern border of the so-called South Ossetia because the presence of the troops there means demarcating the state border between Russia and Georgia.

Ammunition Depot 'Attacked' Near Vladivostok

LD2204043694 Moscow ITAR-TASS in English 0415 GMT 22 Apr 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok April 22 TASS—An ammunition depot belonging to the Pacific Fleet and located in the area of Vladivostok was attacked last night by unidentified assailants.

The criminals attempted to break into the building from two sides. Two of them were spotted by a officer on guard who fired a warning shot. However, the intruders ignored the warning and then the guard shot to kill. One of the assailants was wounded, but the other one came to his rescue and both escaped.

Two other assailants made an attack on the building from the other side. They were detected by a guard patrolling the area. The criminals noticed the guard and fled to a nearby forest.

Local police have begun an investigation into the incident.

No Funds Allocated for Radioactive Waste Storage

OW2104125794 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 20 Apr 94

[From the "Pacific Ocean" program]

[Text] The dumping of radioactive waste from Pacific Fleet submarines might be forced by the fact that there is nowhere to store the waste. Tankers with waste docked near the factory wharf of Zvezda in Bolshoy Kamen are filled to capacity, and can contain no more dangerous cargo. An ITAR-TASS correspondent was told this by Vladimir Ignatenko, representative of Russian president in the Maritime Kray. He said the government should have allocated funds to build a facility for processing the waste, but not a single ruble has been allocated for this purpose so far. Meanwhile, one of the tankers, which contains 794 tonnes of waste, is in a dilapidated condition. Either the factory has to be stopped so that the already critical mass of radioactive liquid will not increase, or else it has to be dumped at sea. However, this may take place only after coordinating it with the Russian president, said Vladimir Ignatenko.

Far East Fishing Trade Union Threatens Strike

OW2104133594 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 16 Apr 94

[From the "Pacific Ocean" program]

[Text] Presently our fishermen are trying to break the vicious circle of mounting problems. Please listen to the tape sent to us by our Sakhalin journalist Lyudmila Fillipova.

[Begin recording] The critical situation in the oblast fishing industry is the center of attention of the industry council of trade unions. The council notes that the ill-conceived social and economic reform policies, the extortionate taxes, and the disparity between prices for primary products and energy resources has led to the ruination of the fishing industry, the sharp decline in the volume of production, the halt of a number of enterprises, and a huge wage debt. To avert the final collapse of the industry, the council of trade unions has sent State Duma deputies a number of proposals, for example: review the tax policy in respect to the Russian fishing industry; equate it to the advantages given to the agricultural industry as food producers; free the fishing industry from customs duties on import, export, and barter operations which would ensure a significant additional flow of supplies of fish products onto the domestic market; and a number of other proposals.

Hoping to find understanding in the State Duma, the industry council of trade unions has appealed to fishermen, fish processors, and leaders of economic and trade union organizations of the Far East fishing industry to show solidarity and support the above named demands. In connection with this appeal, the industry council of trade unions sent a letter to the Russian president, the prime minister, the government of Russia, and the chairman of the State Duma, which supports the demands stated in the decree of the 5th central committee plenum of the Russian fishing industry workers' trade union. Incidentally, the letter emphasizes that if the demands are not met, the trade union will be forced to take collective action.

I want to add that the Yuzhno-Kurilsk fishermen have already begun their strike. [end recording]

Omsk Rocket Builders Licensed To Launch Satellites

PM2204092394 Moscow IZVESTIYA in Russian 20 Apr 94 p 2

[Sergey Suslikov report: "Rocket Seeks Customer"]

[Text] Omsk—The "Polet" Aerospace Association, which in the recent past manufactured the launch rockets for the "Buran" shuttle in Omsk, has obtained a license from the Russian agency granting it the right to launch Russian and foreign satellites.

"Polet" relies mainly on the "Cosmos" rocket, which is capable of lifting large numbers of satellites into orbit for a variety of purposes. Evidence from independent European experts testifies to the rocket's high class: Only 19 failures in 700 launches is one of the world's best records.

The Russian rocket has a further advantage—it is cheaper than foreign counterparts. All the same, it will not be easy to find buyers. The West dictates its own policy in the space commercial services market.

Bashkortostan President on Civic Peace Document

LD2104131694 Moscow INTERFAX in English 1127 GMT 21 Apr 94

[Text] Bashkortostan's President Murtaza Rakhimov believes that adoption of the agreement on civic peace and accord in Russia proposed by Boris Yeltsin can negatively affect the political and social-economic situation in the country.

Addressing the Wednesday sitting of the republic's Presidential Council, he underlined that introduction of a moratorium on acts of a political manner, proposed by the agreement, again postponed signing of the bilateral agreement between Russia and Bashkortostan for an indefinite time, Rakhimov noted that this is being done "at that very moment when all issues on this bilateral agreement have been coordinated in the course of years of difficult negotiations."

Members of the council called on the head of the republic not to sign this document because it is "a chauvinist document infringing upon the rights of the constituent members." According to the council, in general the agreement reminds of a directive from Moscow sent to the regions without minding the interests of the republics within the Russian Federation.

Yakutia Diet Declines To Discuss Civil Accord Draft

MK2104123094 Moscow SEGODNYA in Russian 21 Apr 94 p 2

[Unattributed report under the "Provincial Chronicle" rubric]

[Text] Yakutsk—Yakutia's State Assembly has declined to discuss the draft agreement on reaching civil accord in Russia. The deputies motivated their decision by their unwillingness to become involved in political gambles at the top. In their opinion, the nationally approved Constitution of Russia may serve the goals of civil accord quite well.

Kalmykia Seeks Aid, Shelves Territorial Claims

MK2104124094 Moscow NEZAVISIMAYA GAZETA in Russian 21 Apr 94 p 3

[Interview with Konstantin Maksimov, Kalmykia parliament speaker, by Boir Borboyev, in the "Kalmykia" column: "'The Problems of the People's Rehabilitation Will Be Resolved Before the End of This Year.' Parliament Chairman Konstantin Maksimov Hopes for Assistance from Moscow"—place, date not given]

[Text] [Borboyev] Konstantin Nikolayevich, at what stage of resolution is the problem of rehabilitation of the Kalmyk people?

[Maksimov] I would like to single out three points in President Yeltsin's edict on rehabilitation of the Kalmyk people and on state support for its revival and development, signed at the end of last year. Kalmykia officials are working closely with the federal authorities in addressing these problems. Approximately 40 billion rubles from the Russian budget is needed to pay material compensation to those who suffered from repression, as well as members of their families. We find understanding in Moscow, and I think that before the end of the year the problem will be fully resolved.

[Borboyev] Does the republic itself envision any measures to compensate for the people's physical and moral losses?

[Maksimov] Yes, certainly. Our republic's president deems it essential to reduce the pensionable age for approximately 30,000 persons who were formerly repressed. Our proposal on making additions to the Russian Law On State Pensions in the Russian Federation is currently being studied by federal bodies. The first volume of the Book of Memory (overall there will be two) has come out, which includes the names of all representatives of the Kalmyk people who died during the years of deportation. The republic's authorities are grateful to workers of the archives and libraries in Stavropol and Krasnoyarsk Krays, Astrakhan, Rostov, Volgograd, and a number of other oblasts who have shown understanding and preserved elements of spiritual, cultural, and religious values. This year the property of the Kalmyk people outside the republic will be returned.

[Borboyev] Will these benefits be extended to Kalmyks living outside the republic?

[Maksimov] Yes, this is envisioned by our legislative enactments because approximately 30,000 representatives of the Kalmyk people live in krays and oblasts of the

Russian Federation, in particular in Siberia where they were deported illegally but by the will of fortune have stayed there up till now.

[Borboyev] How topical at present are Kalmykia's territorial claims, in particular on the neighboring Astrakhan Oblast?

[Maksimov] Our authorities have always—before as well as after perestroyka—been raising the question about the territories of Limannskiy and Dolbanskiy Rayons of Kalmykia which were illegally transferred to our neighbors. These are good pasture lands which could benefit the republic greatly. The problem remains, but at the present period we are for a moratorium on revising territorial borders. At the same time approximately 400,000 hectares of so- called "black" soil is leased from the republic by Dagestan and Astrakhan Oblast. And whereas a leasing agreement was reached with Dagestan last year, none has been made with Astrakhan Oblast so far. I consider it necessary to monitor the condition of our lands at the state level.

Volgograd Loses Court Case Against IZVESTIYA

PM2104141194 Moscow IZVESTIYA in Russian 21 Apr 94 p 5

[Maks Khazin report: "Volgograd Authorities No Longer Suing IZVESTIYA"]

[Text] The Volgograd Oblast Administration had sued the IZVESTIYA Editorial Office and its own correspondent V. Kornev, demanding that it repudiate the information contained in his article "Volgograd Authorities Still Opposed to Reform" (IZVESTIYA No. 95, 22 May 1993). Incidentally, it took the authorities five months to decide whether to deny the report or not. Clearly, they were helped to make the "right" decision by the approaching elections.

The first judge to receive the case disqualified herself—the local administration had promised to allocate an apartment to the Volgograd Central Rayon People's Court, and the judge considered that she had no right, as an interested party, to hear her "benefactor's" suit. Nonetheless, the case remained with the same court.

The hearing of the case was tendentious. The plaintiffs did not show up at all for the first two sessions, yet there were no consequences. On the other hand, representatives of the editorial office were twice fined for spurious reasons. Ultimately, the court itself repealed these illegal "fine sanctions."

V. Kornev submitted exhaustive materials to the court, indisputably demonstrating the accuracy of all the points in his article and the groundlessness of the suit. Before the end of the hearing an oblast administration representative considered it necessary to abandon all of their claims—including the claim for 11 million rubles in damages for the "moral harm" done to the administration. At the same time, against all logic, the administration insisted on a repudiation of the article, whose accuracy was no longer in question.

The people's court has completely ended the proceedings.

I. Shabunin, head of the oblast administration, appealed the people's court ruling at the oblast court. His appeal was rejected.

Kaliningrad Oblast Chief Interviewed

PM2104152394 Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 94 First Edition p 2

[Interview with Yu.S. Matochkin, head of Russia's Kaliningrad Oblast Administration, by Lyudmila Sherova of POSTFACTUM; place and date not given: "Yuriy Matochkin: Our Oblast Has a Special Status"]

[Text] Kaliningrad Oblast, separated by two borders from the main territory of Russia, has recently moved substantially closer to us. Its problems have been at the center of the Russian authorities' attention. ROSSIYSKAYA GAZETA's correspondent talked of this with Yuriy Matochkin, head of Kaliningrad Oblast Administration.

[Sherova] Yuriy Semenovich, as far as is known, a treaty between Kaliningrad Oblast and the federal government is currently being prepared. Whose was the initiative, and will it be comparable with the treaty signed with Tatarstan?

[Matochkin] It is a mutual initiative. The treaty is being drawn up within the framework of the president's and the government's decision. The treaty process began to develop between the center and the components of the Federation after the adoption of the new Constitution. The first such treaty was signed with Tatarstan. The treaty with Kaliningrad Oblast is to be the second. This is connected with the fact that we have previously advanced proposals to grant the oblast a special status, taking into account its position as an enclave.

Naturally, we do not wish to copy the treaty with Tatarstan.

[Sherova] Which of the center's powers would you like to take over?

[Matochkin] Powers in respect of relations with neighboring states: Poland, Lithuania, Latvia, and others, i.e. with states through which freight for Kaliningrad Oblast passes. Not all the powers, of course; just sufficient to decide questions promptly, not through Moscow.

[Sherova] Do you not have this opportunity now?

[Matochkin] At present we have been granted such rights only in relations with Poland. By decision of the Russian Federation Government I was appointed its plenipotentiary in implementing the intergovernmental agreement with Poland. I act as Russia's representative in talks with Poland on questions of cooperation between Kaliningrad Oblast and Polish voivodships.

In addition, we would like independently to resolve questions connected with land use and ownership. We intend to include the following conditions in the treaty with the federal authorities: If the Ministry of Defense disbands some unit, the property must be transferred to the oblast, and if the Ministry of Defense decides to send in additional troops, this question must be agreed with the oblast authorities.

[Sherova] Russian territories now are frequently divided into subsidized and profitable territories. Which is your oblast?

[Matochkin] The oblast is said to have become a subsidized one, but it depends on how you calculate it. Here it is necessary to link the territory's significance from the viewpoint of its strategic position in Russia to the load that the oblast bears from the Ministry of Defense. For example, there are now 130,000 retired servicemen standing in line for apartments in Russia, including 17,500 in Kaliningrad Oblast. At the same time Kaliningrad Oblast amounts to less than 1 percent of Russia in terms of area, population, and industrial potential.

[Sherova] To return to subsidies, does this mean that the taxes that are collected on the oblast's territory are insufficient for its needs?

[Matochkin] They would be sufficient for us if we did not transfer some of the taxes to the center. They take 35 percent away from us. In working on the treaty we plan to write into it our right not to surrender taxes to the center for five years but to leave them for the oblast's development.

We have now begun talks with the Ministry of Finance on the conclusion of a treaty for credit to the tune of 150 billion rubles. This is roughly the amount that, taking possible inflation into account, we will have to transfer to the center in 1994. In addition, we would like to keep the customs duties which today all go to the center.

[Sherova] Do you have any problems with the inviolability of borders?

[Matochkin] Our borders are violable; only the border with Poland is guarded according to the old Soviet system, and so it is reliable. There is a full system of border security installations there [inzhenernaya systema]. As for the border with Lithuania, it virtually does not exist. Today our border troops guard administrative points on the border between Kaliningrad Oblast and the Lithuanian Republic. Talks concerning the border are under way, but that is all. I am not in favor of fully equipping the border, and we do not have the money for this. It is necessary to set up checkpoints on the traditional traffic routes and conduct inspections. Endeavors must be made to create civilized European borders.

[Sherova] Yuriy Semenovich, you are now a senator. What interests you most of all in the Federation Council?

[Matochkin] For me everything connected with Kaliningrad Oblast is important: the budget, relations with the Ministry of Defense and with our neighbors. As for the Baltic countries, I believe that the Federation Council must adopt the text of a statement on the formulation of a special economic policy in respect of the Baltic countries, with due regard for the interests of Russia and Kaliningrad Oblast. Such a policy does not yet exist today.

Russian, Adygey Accepted as Adygeya State Languages

LD2104174094 Moscow ITAR-TASS World Service in Russian 0944 GMT 21 Apr 94

[By ITAR-TASS correspondent Viktor Zhilyakov]

[Text] Maykop (Republic of Adygeya), 21 Apr—From today there will be two state languages in the Republic of Adygeya—Russian and Adygey. A law to this effect has been adopted by the republican parliament. While upgrading Adygey to the level of a state language and giving it state support, the legislative assembly at the same time did not downgrade Russian or discredit it. It did not discriminate against the Russian-speaking residents of the republic in any way. "Knowledge or lack of knowledge of a language does not provide sufficient grounds for any restriction of the rights of the citizens of the Republic of Adygeya", stipulates one of the opening articles of the law.

Lack of Orders Could Leave Space Center 'Museum'

PM2204085194 Moscow Russian Television Network in Russian 1600 GMT 12 Apr 94

[From the "Vesti" newscast: Video report by from St. Petersburg by M. Velikoselskiy and Ye. Alekseyev, identified by caption]

[Text] Not many visitors to this museum in St. Petersburg have been able to see the entire exhibition. Despite the fact that only specialists are admitted to the exhibition halls of the Russian Scientific Center of Applied Chemistry, it takes a special permit for some doors to be opened. Old women living nearby claim that the atom bomb itself was built here.

In actual fact the State Institute of Applied Chemistry was and is working on other problems, also mainly of a defense nature. Engine fuel for space rockets from Gagarin's Vostok to the Buran has been developed here.

However, in recent years the share of orders from the military-industrial complex has totaled less than half of the Institute's orders. Now there is not enough money to implement ideas, equipment is not being updated, and specialists are leaving. Unless the situation improves, this unique scientific center will become a subsidiary of its own museum, and no new generation of would-be Russian space travelers is likely to blast off to remote galaxies.

Regional Television, Radio To Lose Federal Subsidies

OW2104131094 Moscow Russian Television and Dubl Networks in Russian 0600 GMT 13 Apr 94

[From the "Dalniy Vostok" program]

[Text] Yet another attempt is being made to reform state television and radio broadcasting. It is envisaged to end federal financing of 89 regional Russian television and radio companies; if local budgets are unable to support them, they will be auctioned off and privatized. This is a tempting business, and according to the plan's authors it will be of value to Russia. Of course, not a single reform in our country in the post-Soviet period has hit its mark, and has usually hit another target—the one it was meant to defend. Previously, innovators had little chance of participating in these attempts at reform, but now more successful people have become involved in this matter. Possibly they will be the first in Russia to promptly manage to do two things at once: break up the old and build the new.

'Around-the-Clock' Monitoring of Koryak Volcano

PM2104100594 Moscow TRUD in Russian 20 Apr 94 p 4

[Boris Kolosov report: "The Volcano Has Stirred, It Has Stretched..."]

[Text] Petropavlovsk-Kamchatskiy—Petropavlovsk-Kamchatskiy is on the alert. Having laid dormant for many years, the Koryak Volcano, whose white bulk is an integral part of the city landscape, has started to show signs of life....

Since the beginning of March, seismological stations affiliated to the Institute of Volcanology have been recording weak but ever more frequent earth tremors at the foot of the mountain. This is an unusual phenomenon, because nothing like it has been seen in 40 years. Stanislav Balesta, doctor of geological and mineralogical sciences and deputy director of the Institute of Volcanology, explains:

"The fact that the cluster of earth tremors beneath the Koryak Volcano are occuring at a depth of between two and 15 kilometers indicates that it is pushing magma up toward the surface. There are two possibilities for the further development of events: The volcano's internal energy may turn out to be insufficient, and the earth tremors will stop after a while; or, should there be a further strengthening of seismic activity, a powerful eruption will be unavoidable. It is quite possible that the situation will be resolved in the next few weeks."

Meanwhile, volcanologists have addressed the Kamchatka Oblast Administration in an official capacity with a warning of the possible danger.

FROM OUR FILES:

The Koryak Volcano (3,456 meters high) is located in the direct vicinity of the cities of Petropavlovsk and Yelizovo. The 100-year silence on the part of this rocky giant may be proof that sufficient energy has accumulated in its bowels to render it capable of producing an explosive eruption. Depending on the direction of the explosion, it is not only the populated areas but also the numerous dacha sites located literally at the foot of the sleeping mountain which may be placed in serious jeopardy.

Around-the-clock monitoring of the status of the Koryak Volcano is now being carried out. Residents are advised to listen to local radio frequently, and as far as possible not to switch it off at night.

International Affairs

Additional Peacekeepers Depart for Sarajevo

LD2104204994 Moscow ITAR-TASS in English 2037 GMT 21 Apr 94

[Report by UKRINFORM correspondent for TASS]

[Text] Kiev 22 April, TASS—Extra Ukrainian peacekeepers flew off on Thursday night for the Bosnian capital of Sarajevo.

On the eve of its departure, the Ukrainian battalion was visited by a group of the Republic's Defence Ministry high-ranking officers headed by Lieutenant-General Anatoliy Kobzar. According to him, Ukrainian peacekeeping troops successfully fulfil their duties in Sarajevo and Bosnia on the whole, while the commanders of the Ukrainian battalion are doing their utmost to avoid casualties among the republic's peacekeepers in the composition of U.N. forces in former Yugoslavia.

Foreign Minister Holds Talks With SRV Counterpart

WS2204082094 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 22 Apr 94

[Text] Ukrainian Foreign Minister Anatoliy Zlenko yesterday began his official visit to the Socialist Republic of Vietnam [SRV]. In the course of the visit, he held negotiations with SRV Foreign Minister Nguyen Manh Cam. The talks focused on continuing, broadening, and deepening relations between Ukraine and the SRV.

Reportage on Black Sea Fleet Negotiations

Radetskyy Cites Yeltsin Support

WS2204094594 Kiev UT-1 Television Network in Ukrainian 0500 GMT 22 Apr 94

[Text] On 21 April in Sevastopol negotiations began between government delegations of Ukraine and Russia, aimed at resolving the issue of dividing the Black Sea Fleet. The Ukrainian delegation is headed by Defense Minister Vitaliy Radetskyy, the Russian delegation—by Defense Minister Pavel Grachev. After a face-to-face talk, the first round of negotiations began, in the course of which it became clear that Russia and Ukraine have absolutely different ideas regarding the number of Black Sea Fleet ships—the figure cited by Moscow is substantially lower. The first attempt to coordinate the issue of stationing the Russian portion of ships has also failed. The Black Sea Fleet Press Service head pointed out that he has information that the Ukrainian side's proposal to deploy the two navies in two different Sevastopol harbors has become the stumbling block in the negotiations. Russia finds this option unacceptable. To remove the misunderstanding, expert groups have begun talks. They have to draft a compromising decision by 22 April and submit it for the defense ministers' discussion. Crimean President Yuriy Meshkov did not participate in the negotiations; he was present in the square in front of the Black Sea Fleet headquarters, addressing the participants of a rally through a loudspeaker and arousing their emotions with slogans.

[Begin recording] [Reporter] Pavel Grachev has said that Russia has enough strength and means to buy the entire Black Sea Fleet and that he inclines toward this option.

[Radetskyy] Pavel Sergeyevich may say whatever he wants, because he is the Russian defense minister, this is his right. Let him speak; nobody objects.

[Reporter] However he said that he does not anticipate the negotiations to yield concrete results. Do you anticipate such results?

[Radetskyy] I anticipate concrete results. Otherwise, why would I fly here?

[Reporter] What if the Russian side continues to insist that Sevastopol is Russia's naval base, will we surrender it?

[Radetskyy] Sevastopol is a Ukrainian city and nobody is going to surrender it. Incidentally the Russian president voiced his opinion at the 15 April conference in Moscow, saying that Sevastopol, the political situation in Sevastopol, is an issue of Ukraine's domestic policy. However both Gromov and Grachev harmoniously say: We agree to have our base in Sevastopol, however Ukrainians should look for another site.

[Reporter] What site do they suggest?

[Radetskyy] I would decline to comment on this issue, because I do not want to create a precedent. [end recording]

Radetskyy, Grachev Meet

LD2104121394 Moscow ITAR-TASS World Service in Russian 1108 GMT 21 Apr 94

[Report by ITAR-TASS special correspondent Mikhail Shevtsov]

[Text] Sevastopol, 21 Apr—Russian-Ukrainian talks on coordinating matters related to the implementation of the Agreement on the Black Sea Fleet, signed on 15 April in Moscow by Boris Yeltsin and Leonid Kravchuk, are continuing. After private talks between Russian and Ukrainian Defense Ministers Pavel Grachev and Vitaliy Radetskyy, the Russian and Ukrainian delegations have began more general talks at the fleet's headquarters.

Vitaliy Radetskyy said to journalists after his personal meeting with the Russian minister that "the dialogue is progressing in a constructive manner." He also said that the Ukrainian Navy base must be stationed in Sevastopol. At the same time he did not rule out that Sevastopol may become the location for the deployment of both the main base of the Russian Black Sea Fleet, and the Ukrainian Navy.

The agreement, signed by the presidents of the two countries, mentions a separate deployment of the Black Sea Fleet and the Ukrainian Navy.

Radetskyy: Talks 'Constructive'

WS2104143294 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 21 Apr 94

[Text] Ukrainian-Russian negotiations are under way, aimed at coordinating the implementation of the Black Sea Fleet agreement signed by Boris Yeltsin and Leonid Kravchuk on 15 April in Moscow. Negotiations to this effect began in Sevastopol today, attended by the Ukrainian and Russian defense ministers. After the face-to-face talks between Defense Ministers Vitaliy Radetskyy and Pavel Grachev, the Ukrainian and Russian delegations began an expanded dialogue with the fleet's staff. After the personal meeting with his Russian colleague, Vitaliy Radetskyy told journalists that the dialogue was continuing in a constructive atmosphere.

Says No 'Serious Disagreements'

LD2104193194 Moscow INTERFAX in English 1817 GMT 21 Apr 94

[Text] Ukrainian Defense Minister Vitaliy Radetskyy has described the atmosphere at current Ukrainian-Russian talks on the future of the Black Sea Fleet as "good."

He told a news conference in the Crimean city of Sevastopol on Thursday [21 April] that there had been no serious disagreements during the negotiations. "There was some friction, but Russian Defense Minister Pavel Grachev put everything in order," he said.

Radetskyy said each side had made its own inventory of the fleet, which the two countries plan to divide between them. The inventories listed different numbers of vessels, but, if the difference was ironed out by Friday, a joint inventory would be unnecessary, he said.

Radetskyy said Ukraine had proposed that Russia base its portion of the fleet at Donuzlav, 100 km (62.5 miles) west of Sevastopol.

"The delegations had different viewpoints on that. Experts are now working on it. We are looking for points of contact and will cut that Gordian knot," he said.

Asked to comment on Russia's demand to base its part of the fleet at Sevastopol, Radetskyy said, "They cannot make any demands because they are on Ukrainian territory. The land, water and infrastructure belong to Ukraine. They can only make proposals, not dictate their terms." "The infrastructure is ours and can only be leased to Russia," he emphasized.

He said the two sides were looking for a solution but "nobody has yet taken any concrete decision about that or made any promises."

Cites Need for Sevastopol

LD2104155194 Moscow INTERFAX in English 1409 GMT 21 Apr 94

[Text] Ukrainian Defense Minister Vitaliy Radetskyy believes Ukraine's navy must be based at the Crimean port of Sevastopol, but does not object to the city being the main base for the Russian Black Sea Fleet. "Crimea must not become a source of discord between the two fraternal nations," he said to INTERFAX. He said he and his Russian counterpart, Pavel Grachev, at a meeting they had behind closed doors in Sevastopol on Thursday, had discussed the life of Crimea's population. The 40-minute meeting was followed by talks on the Black Sea Fleet between a Ukrainian and Russian delegations.

Russia's delegation was led by Grachev and included Navy commander-in-chief Feliks Gromov and ambassador at large Yuriy Dubinin. Ukraine was represented by Radetskyy and Navy commander-in-chief Vladimir Bezkorovaynyy.

"At this stage of negotiations the question of the division of the fleet should be solved, while the redeployment problem will be tackled at the second round of negotiations by the presidents of Ukraine and Russia," Bezkorovainy told Interfax-Ukraine.

He said that, at the present round of talks, the two countries were going to divide the fleet infrastructure between them but would not discuss the division and leasing of any naval bases.

The president of the Ukrainian autonomous republic of Crimea, Yuriy Meshkov, addressing a rally in front of Black Sea Fleet headquarters, protested against the deployment in Crimea of "a second fleet," meaning the Ukrainian Navy. "This does not meet our interests, because the Black Sea Fleet is able to ensure the security of the citizens of Crimea and protect their legitimate rights."

Naval Chief Maneuvers Before Talks

PM2104154594 Moscow IZVESTIYA in Russian 21 Apr 94 p 1

[Report by Nikolay Semena: "Defense Ministers Attempt to Divide Up Black Sea Fleet"]

[Text] Sevastopol—A Russian-Ukrainian defense ministers' meeting is taking place in Sevastopol. It will devise a mechanism for dividing up the Black Sea Fleet in accordance with the presidents' 16 April Moscow decision.

It was learned in Sevastopol that vice admiral V. Bezkorovaynyy, commander of the Ukrainian Navy, was in Kiev on the eve of the meeting to participate in the elaboration of the preparatory documents. According to him, the fleet could be divided up in two stages. At the first stage, it would be decided who the fleet's personnel in service afloat belong to and at the second stage it would be decided to whom the infrastructure belongs. Ukraine, as has been said before, intends to share the fleet's combat might, but not the pennants on each auxiliary ship.

A fierce argument has been raging for some days now in Sevastopol over the future basing of the Black Sea Fleet and Ukrainian Navy, which could turn out to be the most difficult question in the course of the meeting. The presidents, as in known, decided that the fleets could not continue to stay in the same city. But who would have to leave Sevastopol?

The question had been submitted to a city soviet session. On the eve of the session Ukrainian Navy Commander in Chief V. Bezkorovaynyy and the Ukrainian Navy Military Council sent a letter to City Council Chairman V. Semenov questioning the advisability of conducting a session with that agenda following the presidents' decision. But an emergency session of the Sevastopol City Council, discussing the matter on 19 April, "deemed the presidents' decision valid" and "roundly condemned the practice of confrontation between the two fleets due to the vacillation and inconsistency of the top people in Ukraine and Russia in tackling the problem of the Black Sea Fleet." The deputies adopted a decision "suggesting to the leaders of Ukraine that the headquarters and other facilities of the Ukrainian Navy be moved from Sevastopol and stationed elsewhere." Moreover, the session adopted a decision to conduct an opinion poll in Sevastopol on the status of the city and approved the poll form bearing the following text: "Are you in favor of Sevastopol having the status of chief base of the Russian Federation Black Sea Fleet in accordance with the Ukrainian-Russian protocol of 3 September 1993? Yes or no." The city soviet intends to conduct the poll on 26 June, presidential election day in Ukraine.

Further Details on Talks

LD2104103894 Moscow ITAR-TASS World Service in Russian 1001 GMT 21 Apr 94

[Report by ITAR-TASS special correspondent Mikhail Shevtsov]

[Text] Sevastopol, 21 Apr—Talks began in Sevastopol this afternoon between the Russian and Ukrainian defense ministers, Pavel Grachev and Vitaliy Radetskyy. They are meeting to agree questions connected with the implementation of the agreement on the Black Sea Fleet, signed in Moscow on 15 April by Boris Yeltsin and Leonid Kravchuk. Before the talks started, the two defense ministers held a private conversation.

During the morning, Pavel Grachev met with Black Sea sailors. He said "the Black Sea fleet was, is, and will remain our national pride and glory and it must be retained for Russia," stressing that he will do his utmost to ensure that "Sevastopol becomes Russia's main base on the Black Sea." Pavel Grachev thinks the fleet's problems must be resolved in the interests of Russia, Ukraine, and Crimea. "If we manage to agree to leave 85 percent of the Black Sea Fleet to Russia, it can be regarded as a sensible compromise in the talks," the Russian defense minister stressed.

Crimean President Yuriy Meshkov also thinks the Black Sea Fleet ought to be Russian. On the eve of the talks in Sevastopol, in which he is not taking part, he told journalists he regarded the siting of the Ukrainian Navy headquarters on the territory of the peninsula as inadmissible and that he intends to ensure that the highest authorities in the Crimea give their consent for any redeployment of military formations.

The Russian side is also represented at the talks in Sevastopol by presidential envoy Yuriy Dubynin and Navy Commander in Chief Feliks Gromov.

Official Refutes Baltin Statement

LD2104180094 Moscow INTERFAX in English 1409 GMT 21 Apr 94

[Text] A high-ranking official in the Ukrainian president's administration reported in his interview with the agency INTERFAX-Ukraine that the statement by Black Sea Fleet Commander Vice Admiral Eduard Baltin saying that as many as 35 percent of the Fleet's ships had been already transferred to Ukraine is false. In his words, "these ships are being build at the Ukrainian shipyards and have nothing in common with the Black Sea Fleet."

In his interview with INTERFAX on Wednesday Vice Admiral Baltin declared that a total of 35 percent of the Fleet had been already transferred to Ukraine and "the remained 65 percent are to be divided."

The official in the presidential administration declared that "in accordance with the agreements reached in Yalta, Zavidovo, Massandra, and Moscow, the Black Sea Fleet ships and crafts will be divided on a 50-50 basis." About 20 percent of ships and crafts needed for Ukraine's defense will be assigned to it, he said. "The remaining 30 percent can be sold to any other country, including Russia," he pointed out.

Participant Claims Talks Stall

LD2104171994 Moscow INTERFAX in English 1608 GMT 21 Apr 94

[Text] The talks on a gradual settlement of the Black Sea Fleet issue between the Russian and Ukrainian military delegations practically came to a halt after the first round in Sevastopol today. This was reported to INTERFAX by a participant in the talks who did not want to disclose his name.

He stressed that the position of the Ukrainian delegation which had stated its intention of setting up the Ukrainian Navy headquarters in Sevastopol had become a "stumbling block" at the talks. The Ukrainian delegation put forward a compromise proposal that both the Ukrainian Navy and the Russian Black Sea Fleet headquarters be in Sevastopol. The Black Sea Fleet headquarters would be in the Sevastopol Bay and the Ukrainian ones in the Karantinny Bay.

Russian Defense Minister Pavel Grachev told INTERFAX after the first round of talks that the parties had made known their positions on the separate location of the two headquarters and on their proposals on division of the fleet ships.

Grachev pointed out that the proposal that the Ukrainian Navy and the Russian Black Sea Fleet be based in Sevastopol had not as yet been discussed.

Experts participating in the negotiations emphasized that the proposals of the Ukrainian party contradicted the agreement on the gradual settlement of the Black Sea Fleet issues signed by the Russian and the Ukrainian presidents in Moscow on 15 April. The document states that the Ukrainian Navy and the Russian Black Sea Fleet will be based separately.

An INTERFAX correspondent learned that the Russian-Ukrainian talks were continuing at the level of experts in the afternoon.

The two full military delegations are expected to renew the talks on Friday morning. Russian Defense Minister Grachev and Ukrainian Defense Minister Vitaliy Radetskyy will hold a press conference on the same day.

INTERFAX learned from sources close to the Black Sea Fleet command that Ukrainian Defense Minister Radetskyy and Navy Commander Vladimir Beskorovainy had met before the talks in Sevastopol and had discussed the issue with Ukrainian President Leonid Kravchuk. The Ukrainian position had been worked out at the meeting stating that Ukraine must receive 26 warships and 160 support vessels of the Black Sea Fleet. The total number of the Black Sea Fleet warships and support vessels exceeds 300.

However, the Ukrainian delegation did not confirm this information to INTERFAX.

Talks End in 'Disarray'

LD2104165494 Moscow ITAR-TASS in English 1642 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Sevastopol 21 April TASS—The Russian-Ukrainian talks on the Black Sea Fleet ended in disarray in Sevastopol on Thursday [21 April] after the sides failed to iron out their disagreements.

The Russian delegation insists that the Russian Black Sea Fleet and the Ukrainian Navy should be located in different places. The Ukrainian side, however, believes that both can stay in Sevastopol, but in different harbours.

Russian Defence Minister Pavel Grachev who headed the Russian delegation to the talks told journalists that at the first plenary meeting the sides outlined their positions on the matter. Experts were due to resume discussions later in the day. The talks will continue on Friday on an enlarged basis.

Black Sea Fleet spokesman Andrey Grachev said the Ukrainian side is playing a "Massandra scenario" at the talks. Under the agreement signed by Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk in Massandra, the Crimea, in 1993, Ukraine pledged to sell its part of the fleet to Russia in exchange for writing off its debt for Russian energy supplies. However, the deal was strongly opposed by the Ukrainian military.

Ukrainian Defence Minister Vitaliy Radetskyy's refusal to allow Crimean President Yuriy Meshkov and Sevastopol city council chairman Viktor Semenyov to join in the talks added to the tension.

Articles five and six of the law on the delineation of powers between Ukraine and the Crimea allow Crimean leaders to have their say in issues connected with the location of troops and establishment of new military units in the republic, the spokesman said.

Fleet Press Office Reports on Talks

LD2104193794 Moscow INTERFAX in English 1817 GMT 21 Apr 94

[Text] The first round of Russian-Ukrainian talks on the Black Sea Fleet [BSF] issue on the level of defense ministers was held in the fleet headquarters in Sevastopol Thursday [21 April].

The Black Sea Fleet press office told INTERFAX that the two sides discussed the future locations of the Russian Black Sea Fleet and the Ukrainian Navy, proportions for the fleet's division and social guarantees for the two countries' navy servicemen.

The two sides agreed that the issue should be solved in a civilized political way taking into account good-neighborly relations between Russia and Ukraine and the existing realities.

The two delegations recognized the fact that the Black Sea Fleet should not be a cause of discord between friendly states.

At the same time, the press office said that Ukraine's stance at the talks did not correspond to the constructive spirit which was characteristic of the Russian delegation's approach.

"An impression is being created that the representatives of the Ukrainian navy are trying to denounce the Moscow agreement of 15 April," the press office pointed out.

"The Ukrainian side is allowing itself dual interpretation of the Moscow agreement on separate locations for the two fleets and the proportions of its division. Ukraine still insists on placing the main bases of both fleets in Sevastopol, which runs counter not only to logic but also to the will of the two presidents and the latest decisions by the Sevastopol city council," said the press office.

"Nevertheless, the Russian delegation hopes for a triumph of common sense over political ambitions and is ready for further negotiations. Russia does not take responsibility for a possible disruption in the constructive dialog," the press office said.

Fleet Brigade Officers Protest Ukrainian Takeover

LD2104165794 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 21 Apr 94

[From the "Novosti" program]

[Text] The 116th Izmail Riverine Brigade of the Black Sea Fleet is one of the formations, which, in keeping with the decree of Vitaliy Radestskyy, Ukrainian minister of defense, is to be reshaped and replaced under the command of that country's Navy.

Reacting to that step, the Ukrainian military commanders, the officers in the brigade, resolutely disagree with any unilateral actions aimed at changing the status of the formation. In a statement adopted at a general meeting, the officers and warrant officers demanded that a political decision should be adopted as soon as possible on the future of the Black Sea Fleet, on the basis of which the fate of each of them could be determined. At the same time they warned that, until such a decision is adopted, they will stop any attempts to unlawfully seize the ships or other facilities belonging to the brigade.

National Affairs

Small Business Sector Increases Output

LD2104105194 Kiev UNIAR in Ukrainian 0737 GMT 21 Apr 94

[Summary] Kiev, 20 Apr—Ukraine's deputy minister of the economy, Yuriy Yekhanurov, informed journalists at a meeting of the Market Reform Press Club about the results of Ukraine's economic activity in the first quarter of this year. He said the decline in production amounts to 38.4 percent and expenditure from the state budget exceeds income by 5 trillion karbovantsi. There are currently 93,100 unemployed persons in Ukraine, while so-called hidden unemployment is about 4 million persons. He also said that small businesses manufactured 1.4-times more products in the first quarter of 1994 than in the corresponding period of last year.

Cabinet: Managers Responsible for Gas Payments

WS2104161794 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 21 Apr 94

[Text] We received a report today from the press service of the Ukrainian president and the Ukrainian Cabinet of Ministers.

Who will pay for gas? The government is referring to nonpayments for Russian gas used by Ukrainian enterprises. An agreement on settling Ukraine's gas debts in the sum of $500 million was reached with the leadership of the Russian joint stock company Gasprom. [Words indistinct] over the first three months of the current year, our enterprises paid only 20-25 percent of the required amount. Considering this situation, acting Prime Minister Yukhym Zvyahilskyy today held an extended meeting with leaders of certain ministries and departments, representatives of oblast administrations, and managers of production associations which amass enormous gas debts. Opportunities for the branches and enterprises, in particular the Ministry of Industry and the Ministry of [word indistinct] to clear their debts at the expense of their production were discussed. Specific measures aimed at making payments next month—which must be carried out under the personal responsibility of enterprise managers—were also detailed at this meeting. The oblast state administration was authorized to pressure debtor enterprises. If they fail to make these payments, managers of enterprises and local administrations will bear all responsibility for the economic and social (?consequences), which may follow after gas deliveries to enterprises, which have not cleared their gas debts, are suspended.

'Centrist Faction' in Parliament Announced

WS2104154894 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 21 Apr 94

[Text] We are going to build socialism following the European model with the equality of rights for various forms of ownership—this according to entrepreneur Yayhen Shcherbanin, a winner in the recent Supreme Council elections, at the news conference in Donetsk.

At the same time, the establishment of a centrist faction in the republican legislature was announced. This faction was established by the Donbass-based fund for the promotion of progressive reforms, which includes managers of large industrial factories and companies. All of them represent the authorities. [Words indistinct] will become deputies of the new Supreme Council who share goals and tasks of the fund's program. It is also taken into consideration that deputies from other oblasts of Ukraine will join this faction. According to members of this faction, the holding of early presidential elections is inadvisable. They believe that Leonid Kravchuk's powers should be prolonged until a new Ukrainian constitution is adopted. The immediate goal of the faction is to foster the establishment [as heard] of Soviets on all levels.

Socialists, Communists Nominate Candidates

WS2104180494 Kiev KIEVSKIYE VEDOMOSTI in Russian 19 Apr 94 p 3

[Report by Serhiy Rakhmanin: "Esteemed Voters, Are You Ready for a Communist President?"]

[Excerpts] The forum of the Socialist Party of Ukraine [SPU], which was held on 16 April in Kiev, was supposed to be a conference. As it turned out, however, the delegates ended up turning the meeting into the fourth extraordinary congress; this was the only way they could nominate their candidate for president. From the very beginning, the candidacy of Aleksandr Moroz did not raise any doubts. The SPU leader is, of course, one of the most influential politicians in the state and the most authoritative person in the party. [passage omitted]

Active work with youth, raising the status of the SPU newspaper TOVARISHCH, stepping up organizational work, and looking for sponsors were listed among the current and most urgent goals of the party. In the opinion of A. Moroz, it was due to the lack of organizational work and finances that only a few SPU members became Supreme Council deputies.

Many of the deputies, who delivered reports at this congress, also spoke of the need to work on creating a party image, which remains far too vague: An ordinary person on the street is hardly likely to be able to intelligently answer a question regarding differences between the SPU and the Communist Party of Ukraine [KPU]. The delegates discussed the issue of holding theoretical conferences under the SPU umbrella, as well as the need to establish closer contacts with the mass media (especially going into the elections). An opinion was formulated that the Socialists should use the tactics of social-democrats, which could help increase their membership. [passage omitted]

KPU representatives gathered at their plenum on the same day in Kiev to discuss KPU participation in the presidential elections. According to the wish of party lawyers, the plenum was transformed into a conference: In the opinion of KPU lawyers, this made the KPU a subject of the upcoming elections. As one of the KPU leaders, Yriy Solomatin said, there were many deputies (out of some 350 deputies) who opposed party participation in the election campaign. According to KPU platform documents, the existence of presidential power in our state is ill-advised. After a lively discussion, a decision was adopted to draft a statement declaring that the KPU will continue to regard the presidency in our state as not compatible with the national mentality, however, KPU will participate in the elections nonetheless because the voting will take place irrespective of the Communists' attitude toward them. According to Yu. Solomatin, "given the current sociopolitical situation," the KPU has to participate in the election campaign. The KPU will use this campaign to propagate its ideas. [passage omitted]

As a result, the conference decided to nominate its leader, Petr Simonenko, as a candidate for president. Petr Simonenko, who already knew that the SPU congress had nominated Aleksandr Moroz as a candidate, proposed that his party colleagues support Moroz's candidacy. However, the KPU did not alter its decision. [passage omitted]

Supreme Council Concludes Work, Lays Down Powers

WS2204093294 Kiev Ukrayinske Radio First Program Network in Ukrainian 0800 GMT 22 Apr 94

[Text] The conclusive sitting of the ninth session of the 12th Ukrainian Parliament has been held today. Ukrainian Supreme Council Chairman Ivan Plyushch delivered a speech. The session adopted an appeal to newly elected people's deputies and the Ukrainian voters. The current Supreme Council announced it is laying down its powers.

IAEA Declares Chernobyl Power Station Unsafe

LD2104180694 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 21 Apr 94

[Video report by correspondent Anton Vernitskiy; from the "Novosti" newscast]

[Text] Today, an international conference on the problems of the Chernobyl nuclear electric power station began in Vienna, which is being held under the aegis of the IAEA [International Atomic Energy Agency]. Experts from that organization who made an inspection of that station in the Ukraine came to the conclusion that at the present time the state of the nuclear power station does not correspond to the generally accepted international standards.

[Vernitskiy] It was proposed that this conference should be held by IAEA General Director Hans Blix. At the beginning of April he visited the Chernobyl nuclear power station with a group of experts for the purpose of checking how safe it is. The conclusions of the experts were not comforting. According to Blix' statement, the safety norms at the station do not correspond to even the least stringent international standards. First and foremost, the state of the sarcophagus on the destroyed reactor of the fourth power unit gives cause for concern, as well as the shortage of modern equipment and spare parts. Besides this, the funds allocated for the elimination of the consequences of the radioactive contamination are constantly being reduced.

The Ukrainian authorities think that the data given in the IAEA representatives' report are somewhat exaggerated, although according to Valentin (Kupnov), who is responsible for the safety of the Chernobyl zone, the best solution would be the mothballing of the Chernobyl nuclear power station. However, Ukraine cannot simply close down the nuclear power station. An extremely acute shortage of energy resources threatens the Ukrainian economy with complete paralysis.

It is most likely that at the conference in Vienna, Ukraine will be offered help in financing the development of the atomic industry in exchange for shutting down the Chernobyl atomic power station.

Official: Government Ready To Shut Down Chernobyl

LD2104200094 Moscow INTERFAX in English 1817 GMT 21 Apr 94

[Text] Speaking to journalists in Kiev on Thursday, the first deputy chairman of the State Nuclear Energy Committee said that Ukraine is ready to shut down the Chernobyl nuclear power station. Nur Nigmatulin went on to say that before this happened more power stations would have to be built in order to make up the deficit.

He said that Ukraine would have to commission a total of six VVER reactors at the Khmelnitsky, Rovno and Zaporozhye nuclear stations. This would require a total of $1.02 billion.

On 21 April the third reactor at Chernobyl was brought on line again after the 18 April incident which registered one on the international scale.

On 18 April, the safety system at the third reactor was activated while power was being increased after routine repairs. This occurred after the water level in the cooling system fell.

Belarus

Monetary Merger Said To Violate Constitution

PM2104114594 Moscow IZVESTIYA in Russian 20 Apr 94 p 2

[Report by Aleksandr Starikevich: "Opposition in Belorussia [Belarus] Demands that Criminal Proceedings Be Instituted against Prime Minister"]

[Text] Minsk—Belorussian [Belarusian] officials are continuing to keep your IZVESTIYA correspondent from performing his professional duty. Vasiliy Vorobyev, chief of the Belorussian Supreme Soviet Information Department, refused me the right to attend a press conference given by the parliamentary opposition.

The day before I had received an invitation from the press conference organizers to attend this event. However, my name did not appear on the list of journalists allowed entry to the Supreme Soviet to take part in the press conference. Mr. Vorobyev, who had signed this document, stated during a telephone conversation that he would not allow me to attend the meeting with representatives of the opposition. Clearly, the chief of the Information Department had learned how to divide journalists into "clean" and "unclean" back when he worked as an instructor of the Minsk party city committee. But people's deputies had a different opinion on this score: Thanks to them, IZVESTIYA was represented at the press conference.

Its main theme was the signing by Prime Minister Vyachaslaw Kebich of the agreement on the unification of the currency systems of Russia and Belorussia [Belarus]. Opposition deputies managed to obtain the text of the agreement only via Moscow: On various pretexts government officials here refused to provide parliamentarians with the document. It turned out that by signing his name to it Kebich had violated four articles of the new Belorussian Constitution simultaneously (or at least, that is what opposition members think). A group of deputies belonging to the Belorussian People's Front prepared an appeal to Mechyslaw Hryb, chairman of the Supreme Soviet, and Vasiliy Sholodonov, the prosecutor general, demanding that the prime minister be called to account under article 61 of the Belorussian Criminal Code (treason against the state). Opposition leader Zyanon Paznyak assessed this as a unique situation in Belorussia's recent past when a government surrenders its country's sovereignty in violation of the constitution.

It was not hard to predict the opposition's viewpoint on this question. At the moment it is not entirely clear how Belorussian Supreme Soviet will qualify the premier's actions. To your IZVESTIYA correspondent's question of whether the republic's Fundamental Law tallies with the agreement on the unification of currency systems, Dmitriy Bulakhov, chairman of the parliamentary legislation commission, replied laconically: "Hardly." Mr. Bulakhov refrained from further comment since he did not have the text of the documents signed in Moscow. According to him, not one member of the Supreme Soviet Presidium had the agreement in his hands on Friday.

At the press conference one of the articles of the agreement was cited which says that on the day that the document goes into force, the Central Bank of Russia will have the right and powers of the sole money issuing center. According to Article 145 of the Belorussian Constitution, the republic's National Bank has the exclusive right of money emission. This discrepancy automatically entails a violation of Article 8 of the Fundamental Law, which bans the conclusion of international treaties, which contravene the Constitution. Everyone is now deciding for himself just how far Kebich observed Article 1 of the Constitution, which says that the Republic of Belorussia shall defend its independence and pursue its domestic and foreign policy autonomously.

The prime minister has indirectly acknowledged his guilt in public. At a press conference, Kebich, brandishing a copy of IZVESTIYA containing Mikhail Berger's article "Belorussia Has Exchanged Part of Its Sovereignty for the Russian Ruble," rejected the accusations of bartering away independence. But at the same time he remarked that alterations to the Republic's Constitution are needed in order to legalize the Moscow accords. In turn, opposition deputies told journalists that they had asked the prime minister this question: How could he sign an agreement knowing that it did not correspond to the Constitution? To which Vyachaslaw Frantsavich gave a highly original reply: He told the oppositionists that he was unaware of the existence of Article 8 of the Fundamental Law.

The irony of fate is that Kebich was one of the people most interested in the very speedy adoption of that Constitution, which was successfully steered through parliament with the help of some dubious legal procedures. The prime minister is hardly threatened with sanctions from law enforcement organs that are under the full control of his own entourage. But there are two far more serious problems here:

First, the legislature is showing an extreme degree of restraint when giving political assessments of the Moscow accords. Mechyslaw Hryb has stated that he does not support the idea of making alterations to the recently adopted Constitution. There is nothing surprising about that IZVESTIYA has already written about the differences of opinion between Kebich and Hryb, which began immediately after the election of the last chairman of the Supreme Soviet. Now, when the prime minister has embarked upon a fairly dangerous path, the speaker has been given his only chance of competing with him in the presidential elections. Whether Hryb will make use of that opportunity will depend largely on the political alignment before the elections.

Moreover, the making alterations to the new Belorussian Constitution is no easy process. For that to happen the Supreme Soviet must twice discuss and approve the alterations over a period of at least three months. But in the six months before the deputies' powers lapse they do not have the right to revise the Fundamental Law. It is hard to say how much longer this Supreme Soviet has left since it has promised the voters early parliamentary elections in March 1994. But even if it lasts the full course (March 1995) there is only just enough time left.

But it has even less time left before the elections. Because the prime minister's promises about universal prosperity resulting from the unification of the currency systems have begun to pall a little even on his admirers. Thus on the eve of the extraordinary session of the Supreme Soviet, scheduled to begin on 27 April, ways of circumventing the constitution are urgently being sought. Ivan Antonovich, a former secretary of the Russian Communist Party Central Committee, proposed in a speech on Belorussian television that instead of alterations [izmeneniye] to the constitution an amendment [popravka] to it should be adopted. The aim is clear—to simplify as much as possible the process of adjusting the Fundamental Law to meet the needs of the government. But from the legal viewpoint, Antonovich's idea is absurd: The Constitution allows alterations to be made to it but there is no mention of the word "amendment" at all.

The appearance on air of odious individuals such as Ivan Antonovich—people left on the margins of Russian politics but who have been taken up by the Belorussian Government—has become a lamentable tradition on Belorussian state television now. At first Antonovich was made rector of the Academy of Administration under the Council of Ministers, then director of a scientific research institute. If only matters had ended with Antonovich and his ilk expressing their viewpoint on this event or that.... But no, Russian democrats are regularly reviled on state television and direct insults are hurled at the Russian president and his team.

Minsk Hopes To Pay Off Gas Debts

WS2104192094 Minsk Radio Minsk Network in Belarusian 1715 GMT 21 Apr 94

[Text] The suspension of central heating in our homes has not yet accelerated the clearance of our debt to Russia's Gazprom. As we were told by the Belarusian State Company for Gas Transportation and Delivery Beltranshaz, over the first three and a half months of this year, we amassed 165 billion rubles [R] in debt, while our total [word indistinct] now stands at R331 billion. We will likely be able to service our debts with gas suppliers only after unification with the Russian monetary system. For a while, our republic receives energy resources in full volume, though, in line with the agreement, we should clear our debts by 1 June because, beginning 1 July, gas will be delivered to us only according to advance payments.

Buffer Zones Created on Polish, Lithuanian Borders

WS2104135894 Minsk ZVYAZDA in Belarusian 20 Apr 94 p 3

[Unattributed report: "Changes at the Border"]

[Text] Following Brest Oblast, a border zone has also been established on the Belarusian-Polish border in Grodno Oblast. The oblast executive committee has approved a list of village, settlement, and hamlet soviets, which crisscross the border zone. The Border Troops have vacated plots of land located within 800 meters of the state border to their engineering facilities, including land on which barriers and other facilities were previously located.

The oblast executive committee has also established a border zone ranging from between 200 and 500 meters along the Lithuanian border, including plots of land on which checkpoints have been erected. These regulations have been introduced according to the Belarusian Cabinet of Ministers resolution "On Measures for Implementing the Belarusian Republic Legislation on the State Border of the Republic of Belarus." Rayon executive committees and commanders of military units have been requested to explain these measures to the general population.

Moldova

Snegur Views CIS, Economic Union Membership

LD2104200694 Moscow INTERFAX in English 1608 GMT 21 Apr 94

[Text] Moldovan President Mircea Snegur stated in an exclusive interview with Interfax that Moldova's membership of the CIS and the economic union was a manifestation of good sense and not a move towards the restoration of the USSR, as the opposition had claimed.

"We have gone through different stages of settling economic problems, we have applied different methods and we have come to the conclusion that we should join the CIS. Today, I want to confirm that together with this we will continue the reforms and the policy of integration with the West," Snegur stressed.

Snegur wanted the CIS economic space to become "transparent" so that all customs barriers be lifted and a single commonwealth be established to ensure movement of capital in all directions.

"Our policy provides for economic integration with the East and the West and for neutrality," Snegur pointed out.

Speaking on settlement in Transdniestria, Snegur emphasized that good opportunities had recently appeared not only for a dialogue with Transdniestria but also for settlement of all problems of this region. Snegur intends to take active part in consideration of the issues concerning the status of the left bank of the Dniester and to make his participation considered and gradual.

"This means to look for mutually beneficial compromises. We have already gone through the phase of wanting to solve problems from a position of stubbornness. To demonstrate our seriousness we agreed that Transdniestrian representatives would participate in Russian forums with the Moldovan delegation at the CIS summit in Moscow," Snegur said. He also hoped that the Moldovan parliament would back the desire of Gagauzia to be an autonomy, however, "within the composition of Moldova."

On the decision of the Russian Gazprom to reduce gas delivery to Moldova by one third, Snegur said the problem would be solved positively for Moldova in the near future since Moldova had prepared some production to be sent to Russia in order to pay for the gas delivery.

Moldova Pledges To Pay Gas Debts by May

LD2104192094 Moscow ITAR-TASS in English 1626 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 21 April TASS—Moldovan Prime Minister Andrei Sangheli said the Republic would settle its debts for the gas supplied by Russia's Gasprom gas company by the end of May.

Last week, the Russian state-run gas giant cut down deliveries to Moldova by one third and threatened to cut off gas supplies completely unless the Republic repaid its debt.

According to Sangheli, Moldova has already paid off part of its gas debt. The point at issue now is 108 billion rubles owed by Moldovan gas consumers, mostly from the Dniester region which is suffering grave economic difficulties at the moment. The Moldovan prime minister reported that Kishinev and Tiraspol experts were presently considering possibilities of finding money to urgently repay the republic's debt. He expressed hope that the issue would be solved by joint efforts and supplies of Russian gas would be resumed in the full volume.

Delegation Negotiates Release of Detainees

AU2004153594 Chisinau BASAPRESS in English 1945 GMT 19 Apr 94

[Text] Chisinau BASAPRESS, 19/4/1994—The parliamentary commission for ensuring the performance of Ilie Ilascu's deputy functions, held yesterday in Tiraspol negotiations with Dniester leaders regarding the release of political detainees, told BASA Sergiu Mocanu, member of the Commission of the Christian Democratic Popular Front [FPCD] Alliance. Mocanu specified that during the meeting with Vladimir Bodnar, vice-president of the Supreme Soviet of the self-proclaimed Dniester republic and Vadim Shevtsov (Antyufeyev), president of the Tiraspol Security Committee, the Moldovan side suggested for discussion two problems: manners of discussing the problem of releasing Ilascu and the access of members of the commission to the detainees. "According to the available information, the health of our detainees is very bad, especially Ilascu's, one of the causes being the constant pressures to make them ask Smirnov for a pardon," mentioned Mocanu, specifying that Ilascu has not information sources at all. According to the quoted source, Bodnar refused to discuss the release of Ilascu, emphasizing that "he is a criminal," but Shevtsov promised to organize a meeting of the commission with the detainees of the Ilascu group.

Talks on Dniester To Resume Late Apr

LD2104183094 Moscow ITAR-TASS in English 1611 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 21 April TASS—Talks on a peace settlement of the Dniester conflict consequences are to resume in Moldova in late April, the Russian president's special envoy for the talks Vladlen Vasev told TASS on Thursday.

According to Vasev, Russia's proposals for Dniester settlement are based on recommendations worked out by the CSCE mission in Moldova and take into account the interests of both sides to the conflict.

Dniester leader Igor Smirnov said yesterday Tiraspol found unacceptable some aspects of the Russian proposals. The document was also subjected to criticism by certain Moldovan politicians who assessed these proposals as "pro-Tiraspol."

"We believe our proposals can lay down the basis for negotiations," Russia's envoy stressed. "However, we are not too self-assured and understand they may be adjusted in the course of discussion in order to reflect the compromises reached," he noted.

Kazakhstan

Nazarbayev Receives CSCE Human Rights Official

LD2104180294 Almaty Kazakh Radio Network in Kazakh 1400 GMT 21 Apr 94

[Text] Today Kazakh President Nursultan Nazarbayev received Max van der Stoel, high commissioner of CSCE for affairs of national minorities, who is currently visiting Almaty in connection with the seminar on human measurement. An open exchange of opinions on a wide range of problems of mutual interest took place. During the conversation Nazarbayev said that the Republic ascribes major importance to the activity of the CSCE and is ready for all-around cooperation with such a prestigious international forum, first of all in the humanitarian sphere. Nazarbayev positively assessed the growing attention of the heads of the Conference on Security and Cooperation in europe to the region of Central Asia. In his opinion, a CSCE seminar in Almaty very convincingly testifies to this fact. The seminar will undoubtedly become one more step on the way to developing a constructive dialogue between the countries of the vast European region with regard to all problems of security and cooperation. As far as demographic changes are concerned, said the president, they have occured in Kazakhstan during the years of Soviet power as a consequence of forced collectivization, industrialization, and development of virgin and fallow lands. From the former USSR's European region only, over 2 million people have moved here to Kazakhstan. But nobody in our country divides people into our own and strangers. Every Kazakhstani has equal rights and opportunities and can be sure of his tomorrow.

Van der Stoel, in his turn, highly assessed the policy pursued by Kazakhstan with regard to interethnic relations and voiced his support for the president's stance with regard to legal status of his citizens. At the same time the high commissioner expressed his wish to familiarize himself in full detail with the experience accumulated in the Republic as far as creation of the interethnic accord and stability atmosphere is concerned. First of all, Max van der Stoel was interested in the outcome of the election and correction of the violations noted by the CSCE observers during the election.

Nursultan Nazarbayev expressed his known stance on the matter. He said legal assessment to all deviations from the law will be given by the court. The court namely is working on it. In particular, with regard to cases noted in three constituencies, the court is examining the matter now.

Vice President Yerik Asanbayev, Deputy Prime Minister Tolegen Zhukeyev, and Foreign Minister Kanat Saudabayev also participated in the meeting.

Nazarbayev Issues Edict on Justice, Notary Offices

LD2004164994 Almaty Kazakh Radio Network in Kazakh 1400 GMT 20 Apr 94

[Text] In order to increase the social and legal status of the staff of the justice and state notary offices, the president of Kazakhstan issued an edict on the hierarchy of the justice and state notary offices of the Republic of Kazakhstan. The text of the edict will be carried by the press.

Cabinet of Ministers View First Quarter Results

LD2104175194 Almaty Kazakh Radio Network in Kazakh 1400 GMT 21 Apr 94

[Text] Today, a regular sitting of the Cabinet of Ministers took place. Heads of republican departments and oblast administrations, Almaty and Leninsk administration heads, and chairmen of the boards of leading banks were invited. At issue was the outcome of the Republic's social and economic development in the first quarter of the current year. In the Republic's national economy, negative trends increased in January-March, leading to a decrease in production and higher inflation. The problem of settlement of payments has become even more urgent. It has practically paralyzed all branches of the economy. As stated on 1 April, 1,084 enterprises are at a complete or partial standstill. As result, the gross domestic product in January-March decreased by 30 percent compared to the same months last year. The volume of production output decreased by 30.9 percent and that of the capital investment of state enterprises and organizations decreased by 68.3 percent.

A very serious situation is brewing in the fuel and energy complex. Production of electricity fell by 14 percent, coal by 10 percent. Recovery of oil, gas, and gas condensate has also decreased. Oil refineries have refined 2.8 mn [million] tonnes of oil, which equals 64.5 percent of the total reached in the first quarter of last year.

The situation in the metallurgy complex has deteriorated. Decrease of light industry is ongoing. The agro-industrial complex is also turning a loss. Last autumn 58,000 heads of cattle and many horses and camels, about 1.5 mn sheep and goats died, although, as has been said, farm units had enough fodder. As a result, production of meat, milk, and eggs is lower compared to the first quarter of last year.

Preparation for the spring sowing campaign is a matter of special discontent. Most equipment is in poor repair. Many state and collective farms do not have enough good quality seeds. The situation with fuels and lubricants is critical. Not only single farm units, but also whole rayons do not have any fuel at all. In this connection, speakers said every possibilities should be found to provide all necessary things for farmers to carry out the sowing campaign on all planned areas. In the food industry the decline of production is by 33 percent. In capital construction, at the expense of all sources of financing, 11 percent only of all planned facilities was commissioned. Residential housing construction is in dire straits. Despite the strict financial policy of allocating credits from the budget, the rate of inflation has not decreased.

Introduction of the national currency did not help curb inflation. Liberalization of prices for basic foodstaff of 5 January and continuing increase of prices for spare parts, fuel, raw materials and equipment on the part of the CIS partners has significantly increased inflation. Inflation is also increased by the trend of producers to increase prices for their products as well as by inflation forecasting expectations of the population. The public welfare has significantly decreased. Last year an average monthly salary increased by a factor of 14.2, and consumer prices increased by a factor of 23. Simultaneously, indexes and tariffs for paid services have skyrocketed. Everyday consumer services increased by a factor of 24 times, municipal payments, 62. Upkeep of children in nurseries is 31-times more expensive now than a year ago. Medical services cost 37-times higher.

First Deputy Prime Minister Akezhan Kazhegeldin, who chaired the sitting said: "In conformity with the government's plans for January-March, legal norms continue to be formed as the basis for the market economy. Measures envisaged by these plans are being implemented in general as far as the economic policy towards the CIS partners are concerned." Speaking about future prospects, the vice prime minister said that in the second quarter the gross domestic product is predicted to be increased by 6 percent and the output of the industrial production by 8 percent. This will help to improve the situation in the social sphere.

The sitting also examined the progress of preparation for celebration of the 150th anniversary of Abay Kunanbayev. The progress is extremely unsatisfactory. In this connection a number of ministries, departments, and heads of oblast administrations were given concrete tasks to improve the situation.

Kyrgyzstan

Akayev Decrees Sacking of Finance Minister

LD2104165694 Moscow INTERFAX in English 1507 GMT 21 Apr 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] President Askar Akayev has decreed the removal of Finance Minister Kamchibek Shakirov for abuse of his official status and for issuing a loan from the state budget to a private firm.

The head of the president's press service Azim Ibraimov told INTERFAX that the finance minister's resignation was the first instance of an uncompromising decision with regard to a cabinet member. In his view, this was an example of the government's resolution to tighten state discipline over fiscal matters in use against officials who, regardless of their rank, had raised their own level of responsibility beyond that permissible by law.

Ibraimov pointed out that when the new premier Apas Dzhumagulov came to power, "the process of purging the state personnel system began in earnest."

He also said that K. Shakirov used his authority among government members "as a sufficiently well-versed and competent professional financier, who knew his business." However, "weakness of character led him to violate procedure and abuse his authorities and, succumbing to family loyalties, the finance minister issued a loan to his own son-in-law," Ibraimov said.

Tajikistan

Niyazov Begins Second Round of Talks With Li Peng

LD2204085994 Moscow ITAR-TASS in English 0755 GMT 22 Apr 94

[Report by ITAR-TASS correspondent Lyudmila Glazkovskaya]

[Text] Ashkhabad [Ashgabat] 22 April TASS—A second round of talks between the Turkmen president and visiting Premier of the Chinese State Council Li Peng began in Ashkhabad on Friday.

Before the talks between the Turkmen and Chinese leaders began, a conference of a political group was held by [Deputy] Chinese Foreign Minister Dai Bingguo and the Turkmen vice-premier, Boris Shikhmuradov.

The sides highly assessed Turkmen-Chinese relations and pointed out that the talks were resultful and were going ahead successfully. They expressed satisfaction at the level of cooperation between the two Foreign Ministries and said they were prepared to continue the dialogue and mutual consultations.

Turkmen officials announced their decision to open the Turkmen embassy in Beijing.

During the talks the sides discussed a number of other questions concerning cooperation in the humanitarian sphere. In particular, an agreement was reached on carrying out joint research in the field of history.

Chinese officials declared that China grants 1.5 million yuan gratis to the Turkmen Education Ministry to provide equipment and teaching aids to Turkmen schools.

Government 'Satisfied' With Talks With Opposition

LD2104173994 Moscow ITAR-TASS in English 1517 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 21 April TASS—Tajik Labor and Employment Minister Shukyrdzhon Zukhurov, who heads the Dushanbe governmental delegation to the negotiations with the Tajik opposition, said he was satisfied with the first round of talks. He stressed that, despite different approaches to several questions, the two sides had taken the first step towards a political solution to the inter-Tajik national conflict.

Zukhurov told a press-conference on Thursday that the difficult two-week negotiations had started 5 April in Moscow upon the initiative of the United Nations and with the participation of observers from several nearby republics, including Iran, Afghanistan and Pakistan. The two sides looked at three groups of questions concerning the necessity of bringing a halt to hostilities on the Tajik-Afghan border and inside Tajikistan itself.

A protocol on the return of refugees and a general communique on the results of the first round were signed at the round's finish. The head of the governmental delegation said that the second round had been scheduled for approximately the end of May and would be held in either Tehran or Islamabad.

Turkmenistan

Government, China Optimistic Over Cooperation Prospects

LD2104123494 Moscow ITAR-TASS in English 1217 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Lyudmila Glazovskaya]

[Text] Ashkhabad, 21 April (TASS)—The first round of Turkmen-Chinese summit talks has revealed the identity of their stands on the main aspects of cooperation. This was stressed at a briefing for journalists, organised by the Chinese side. It was stated that Li Peng and Saparmurat Niyazov had expressed satisfaction over the level of the development of bilateral relations after the establishment of diplomatic contacts in 1992. Both leaders pointed to mutual understanding and confidence, which are typical of the relations between their countries. They stressed that there existed a potential for their further deepening.

It was stated at the briefing that the talks had revealed the main spheres of possible economic cooperation, of which the transportation of Turkmen gas to China is the most important one.

Participants in the talks, held in Ashkhabad, pointed out that trade turnover between China and Turkenistan is not too great so far, but there are chances to make it more effective. The Chinese side expressed a lively interest in purchasing Turkmen cotton.

Four agreements are expected to be signed at the talks, which will be continued on Friday. They will become more specific after a meeting of Chiness business people with heads of Turkmen ministries and institutions, scheduled for Friday.

First Round of Sino-Turkmen Talks End in Ashgabat

LD2104173694 Moscow INTERFAX in English 1608 GMT 21 Apr 94

[Text] The first stage of talks between Chairman of the Chinese State Council Li Peng and Turkmenian President Saparmurad Niyazov ended in Ashkhabad [Ashgabat] on Thursday. The two sides discussed the possibilities of economic cooperation between the two countries.

Niyazov and Li Peng expressed interest in developing contacts in trade, light, fuel and energy and chemical industries, Head of the Information and Press Department of the Chinese Foreign Ministry Shen Guofang told a briefing of journalists in Ashkhabad on Thursday. In his words, "the signing of four-five intergovernmental agreements is possible" on 22 April, but "their texts are yet to be coordinated."

As INTERFAX learned from well-informed sources, the Turkmenian leadership is considering the proposal by the Chinese side to grant a credit worth 50 million yuan ($6 million).

The guests also suggested discussing the joint construction of two plants in Turkmenistan for the production of bricks and metallic items for seismo-proof building.

The two sides also discussed the possibility of building a gas pipeline Turkmenistan-China, but a representative of the Chinese Foreign Ministry said that this issue "was not discussed in detail, because the project demands specific preparation and technical and economic foundation."

The talks will continue on 22 April.

Uzbekistan

U.S. To Provide Aid in Aral Sea Disaster Clear-Up

LD2104161094 Tashkent UZBEKISTAN APN in Russian 1023 GMT 21 Apr 94

[Text] [No dateline as received]— On 20 April in Tashkent, the Government of Uzbekistan signed a memorandum with the U.S. Agency for International Development on the provision of help to the population of the Aral region. Khorezm Oblast and the Republic of Karakalpakstan will receive technical assistance, materials, and equipment to improve the quality of drinking water and the sanitary-hygienic and ecological education of the population. This scheme is part of the overall package of help measuring $15 million for the Republics of Central Asia, which was announced by U.S. Secretary of State Warren Christopher last autumn. The implementation of the scheme will allow an improvement in sanitary and hygienic conditions for 500,000 people in the Aral region.

Armenia

Armenian, Nakhichevan Officials Discuss Border

NC2104140494 Yerevan SNARK in English 1342 GMT 20 Apr 94

[Text] Yerevan, 20 April (SNARK)—Two meetings of the Armenian and Nakhichevan representatives took place yesterday at the border of both republics.

The press-center of the Armenian Defence Ministry told SNARK today that representatives of the local authorities and military leadership of nearby regions discussed measures on preventing the possible incidents, issues of communication reconstruction and safety of agricultural works in the border region.

The authorities of Ordubadskiy region in Nakhichevan—obeying to Azerbaijan People's Front—didn't come to the meeting and all talks were held only with military commanders of the region.

Meanwhile, the Armenian Defence Ministry informed there was calmness in all parts of the Armenian-Azerbaijan border last day.

Azerbaijani Shelling of Armenian Borders Reported

NC2104204894 Yerevan Armenia's Radio First Program Network in Armenian 1950 GMT 21 Apr 94

[Text] The Azerbaijani Army shelled Armenia's borders on the evening of 20 April and tonight. The Armenian Defense Ministry press service reports that the defensive positions around Berkavan and [place name indistinct] in Noyemberyanskiy Rayon, and Chinari and Movses villages in Tavushskiy Rayon came under shelling until midnight from various types of weapons. Our border guards were forced to retaliate.

Disregarding the agreement on a cease-fire, the armed formations in Nakhichevan shelled the border positions near Brnakot and Shaghat in Sisianskiy Rayon with an armored vehicle, grenade launchers, and howitzers between 2000 and 2100 on the same day. The Armenian border guards did not retaliate. These same villages were again shelled from Nakhichevan at noon on 21 April. The enemy used grenade launchers. There are no casualties. We have not received any more information on the border situation today.

U.S. Kerosene Distribution Completed

NC2104152094 Yerevan SNARK in English 1740 GMT 21 Apr 94

[Text] Yerevan, 20 April (SNARK)—The American Government's humanitarian action on the gratuitous distribution of kerosene to the residents in need is over in Armenia.

Harry Gilmore, American ambassador to Armenia told SNARK 200 thousand families of the three largest cities of Armenia have got the kerosene.

Mr. Gilmore outlined the difficulties they met while the shipment of kerosene through the Georgian territory. He said Georgian authorities don't control the situation in the regions.

"American Government would prefer to deliver the kerosene through Turkey," said the ambassador. But the Turkish authorities declared they would give their consent on the shipment, provided [there was] the progress in the settlement of the Karabakh conflict.

He confirmed that some families didn't get the kerosene. But he assured that according to the mutual agreement of American and Armenian sides they will get it during the next stage of the distribution in Autumn.

Azerbaijan

Armenians Close to Karabakh's Northern Frontiers

LD2104140794 Moscow INTERFAX in English 1127 GMT 21 Apr 94

[Text] After 10 days of successful counter-offensive, the Karabakh Army has reached the northern borders of the Mardakert area in Karabakh. It regained the Armenian communities Tonashen, Dastakert, Levonarkh, Madagis, Verin, Chailu, and Talysh, captured by Armenians two years back. This is said in a statement released by the Information Department of the self-proclaimed Nagorno-Karabakh Republic in Stepanakert on Thursday.

In the last days of fighting primarily on the Mardakert and Agdam fronts, the Azerbaijani Army, as Stepanakert claims, has lost more than 600 men killed and also one aircraft, 19 armored vehicles, and several artillery pieces.

The Karabakh losses are 56 men killed and seven armored vehicles destroyed.

The statement notes that desertion has been on the rise among Azerbaijani troops. According to a radio intercepted radio, the men of four Azerbaijani infantry battalion deserted in recent battles on the Agdam front.

Meanwhile, according to a cable from the Karabakh Army Headquarters, Azerbaijani forces mounted an attack on the Fizulin front (Karabakh's south-east) at dawn on 21 April.

A spokesman has reported to INTERFAX that the attackers are backed up by tanks and aircraft.

In the course of battles on Thursday, Karabakh troops put one Azerbaijani tank out of action. Several Azerbaijani soldiers lost their lives.

After intensive artillery shelling, Azerbaijani forces launched offensive in the north of the Mardakert area. An Azerbaijani tank was destroyed there.

By the latest figures, a woman died as a result of an Azerbaijani air strike on Stepanakert on 20 April. Two children were injured. Property damage is reported.

Azerbaijani aircraft have been raiding Karabakh as of Thursday morning.

In the meantime, Azerbaijan's Defence Ministry reports that its units halted an all-out Armenian offensive on 20 April0. In the course of fierce fighting, as Baku reports, the enemy lost 15 tanks and other armored vehicles.

The ministry also reports that an Armenian battalion has been routed in the Agdam area.

It claims that up to 200 Armenian troops have been put out of action over the last two days of fighting.

Armenian Attacks in Northern Karabakh Reported

NC2104171894 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 21 Apr 94

["Defense Ministry press service report for 21 April"—read by announcer]

[Text] Armenia's Armed Forces tried to launch a new attack in northern Karabakh on the afternoon of 20 April. Having massed a considerable number of troops and hardware in this sector, the enemy launched an attack against the settlements in northern Agdamskiy Rayon. Heavy fighting continued this morning around Guludzha and (?Suma).

The situation also remains tense in the southwest part of our Republic. Heavy fighting continued near Fizuli yesterday, last night, and early this morning. Our troops inflicted heavy counterblows on the enemy and forced it to withdraw from a number of heights. The fleeing enemy left behind a considerable amount of arms and military hardware. Our soldiers seized one Armenian tank, one infantry fighting vehicle, two Grad launchers, 11 cannons, five machine guns, seven radio sets, one vehicle, numerous grenade launchers, and automatic weapons.

Fierce Fighting Rages in Nagorno-Karabakh

LD2104122094 Moscow ITAR-TASS World Service in Russian 1102 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow, 21 Apr—Fighting in Nagorno-Karabakh has intensified markedly. The press service of the Nagorno-Karabakh Defense Army told ITAR-TASS by telephone that Azerbaijani forces mounted a big, two-pronged offensive today. In the Fizuli sector, attacks by Azerbaijani tanks are being supported by combat planes. One Azerbaijani tank had been knocked out by midday. In the north of the Mardakert area, where Karabakh subunits are also containing the offensive, another tank has been destroyed. There are no reports as yet on manpower losses sustained by either side.

According to the latest information, a woman was killed in yesterday's Azerbaijani air raid on Stepanakert, and two children were injured. Some damage was caused. The planes were in the air again today.

'Fierce' Fighting Continues

LD2104164694 Moscow INTERFAX in English 1608 GMT 21 Apr 94

[Text] There were fierce clashes in the north of Nagorno-Karabakh's Mardakert district, to the east of the district center of Mardakert and near Fizuli where Azerbaijanis used several hundreds of troops and about fifteen tanks this afternoon.

The Nagorno-Karabakh Army press office told Interfax that all Azerbaijani attacks had been repelled. Azerbaijanis are suffering huge casualties both in personnel and hardware on all sections of the frontline. According to preliminary reports, up to 70 Azerbaijani troops were killed and three tanks destroyed Thursday alone.

A total of five Nagorno-Karabakh troops were killed, while another 14 wounded.

At 1700 this afternoon fighting was going on only near Fizuli.

In the meantime, the Azerbaijani Defense Ministry press center said heavy fighting had been going on near the villages of Gyullyudzha and Suma of the Agdam district since early morning.

The ministry's experts believe Armenians intend to break the Azerbaijani defense on the border between the Agdam and Terter districts of Azerbaijan.

According to the ministry, up to two battalions of troops were transferred from Armenia to the north of Nagorno-Karabakh every week.

The situation in the south west of Azerbaijan, near Fizuli, also remains tense, the press office said. Over the last 24 hours, heavy fighting continued there. The press center said Azerbaijani units ousted Armenians from a number of strategically important heights and seized vast quantities of weapons and ammo, including a T-72 tank, an armored combat vehicle, two mobile launchers Grad, 11 artillery guns, five heavy-caliber machine-guns, seven man-pack radio sets, many rocket launchers, submachine-guns and an UAZ jeep.

Russian Envoy Discusses Initiative on Karabakh

NC2104183994 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 21 Apr

[Interview with Russian Ambassador to Azerbaijan Valter Shonia by Garanfil Khalilova; place and date not given]

[Text] As we have already reported, a statement was adopted on the settlement of the Karabakh conflict at the latest meeting of the CIS heads of state. After that statement, Russian President Boris Yeltsin declared that the acceptance of any document, particularly with such speed, does not mean that the Karabakh conflict has been resolved. This is a difficult and complex issue. The conflict could be resolved with the active participation of all sides. If this happens, how is Russia going to carry out its mediation effort in the future? Our reporter Garanfil Khalilova put this question to Russian Ambassador to Azerbaijan Valter Shonia:

[Begin recording] [Shonia, in Azeri] Russia is determined to continue to fulfill its part of the responsibility; my country is ready for it. We believe that the first thing to do is to secure a definite cease-fire. This is our view, and we are working and will continue to work in this direction, no matter what it takes to achieve our goal. All our efforts are directed toward this goal. As you know, our special representative, that is, our president's special representative, Ambassador [Vladimir] Kazimirov, met with Chairman of the Minsk Group [Jan] Eliasson in Stockholm yesterday. They achieved a certain result; that is, they achieved a unanimity of views to continue with the two missions [CSCE and Russia] through consultations and cooperation. I believe that Russia will certainly continue with its efforts.

[Khalilova] [Armenian President Levon] Ter-Petrosyan stated during the CIS heads of state meeting that in general Armenia is not taking part in the war. However, Vladimir Kazimirov confirmed the view that Armenia is waging war with Azerbaijan.

[Shonia] No matter who says what, it will not change reality. The realty is already known by everybody. What I am saying is that mediation is a difficult job, and no one side should lose faith in the mediator. If such a thing happens, there cannot be mediation. Therefore, disregarding what others say, Russia will continue on the path it believes to be correct. [end recording]

Special Envoy Holds Talks With CSCE on Karabakh

LD2004203094 Moscow ITAR-TASS in English 1858 GMT 20 Apr 94

[Report by ITAR-TASS correspondent Nikolay Vukolov]

[Text] Stockholm 20 April TASS—The Russian president's special envoy for Nagorno-Karabakh Vladimir Kazimirov and head of the CSCE Minsk group for Nagorno-Karabakh Jan Eliasson held here consultations on Karabakh settlement on 19-20 April.

The two officials exchanged information on the high-level talks and contacts over Nagorno-Karabakh settlement during the recent Moscow meeting of the Council of CIS Heads of State, as well as on the meeting of the CSCE Minsk group in Prague.

Participants in the consultations also exchanged views on possible further steps by the Russian mediator and the CSCE Minsk group in the Karabakh settlement and around it. They stressed the importance of the declaration on Karabakh settlement signed in Moscow by the Council of CIS Heads of State. Both sides confirmed their commitment to coordinated and harmonized mediation efforts.

Russia's special envoy and the CSCE official agreed to maintain close contacts between the Russian mediation mission and the Swedish presidium of the CSCE Minsk group.

Kazimirov was received by Swedish Foreign Minister Margaretha Af Ugglas.

Aliyev Meets Mamedov About Opposition Talks

NC2104150194 Baku TURAN in English 0947 GMT 21 Apr 94

[Text] Baku, 20 April (TURAN)—Late last night President Aliyev received the head of the National Independence Party of Azerbaijan, Etibar Mamedov.

During a discussion about the internal political situation was mentioned as well as urgent measures needed to be taking in order to stabilize the situation.

Connected with this question, Mamedov offered to hold a dialogue with some of the political parties. President Aliyev agreed with the proposal. TURAN was informed that confidential meetings have already taken place between the opposition and the President. The results of meetings are expected to be optimistic.

Bank Head Dismissed Over Economic Problems

NC2104150294 Baku TURAN in English 0947 GMT 21 Apr 94

[Text] Baku, April 20 (TURAN)—Today by the order of the Azeri President Aliyev, Galib Agayev, the National Bank's president, was dismissed.

Prior to his dismissal, he was criticized in the Parliament for the breakdown in the financial system in the Republic. At that time, deputies suggested to President Aliyev that Agaev be relieved of his duties bank president.

Increase in Azerbaijan's Foreign Trade Forecast

PM2104162594 Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 94 p 6

[Report by Arif Useynov: "Privileges Granted"]

[Text] Baku—President Geydar Aliyev has signed an edict on the liberalization of foreign trade on the territory of the Republic of Azerbaijan.

Henceforth, all restrictions on the export of strategic and nonstrategic output by all legal entities observing the law and customs and banking procedures are being removed. This will primarily make it possible to attract currency from abroad and speed up the formation of the republic's currency fund, so experts believe.

Obviously, this is not a question of total license, because a special commission will be strictly observing exports.

A reliable customs barrier has also been placed in the way of excesses: It is only possible to export output when its value is paid for in hard currency or the relevant banking letter of credit provided. The practice of holding of commodity exchanges is being introduced—these will determine the value of output destined for export. The role of the national currency—the manat—is also being strengthened. The exchange rate of the manat will be established at currency auctions, which is reviving hopes of its convertibility.

At the same time as the long-awaited edict, the Azerbaijani Ministry of the Economy has also published forecasts for foreign trade activity for 1994. The commodity turnover will increase by almost $297 million and will constitute $727 million by the end of the year. Barter deals will have to be given up. Like in previous years, exports are mainly made up of oil and oil products (up to 40 percent) and raw cotton (up to 28 percent), as well as machine-building, metallurgical, and petrochemical output. Currency receipts are also expected from the export of caviar.

Iran and Turkey occupy a priority position in Azerbaijan's foreign economic activity. These countries also account for the largest volumes of food product purchases.

Resolution on Gas Purchase From Turkmenistan Passed

NC2104142094 Baku TURAN in English 0947 GMT 21 Apr 94

[Text] Baku, 20 April (TURAN)—"Today the Cabinet of Azerbaijan passed a resolution dealing with all aspects of gas purchase from Turkmenistan by through clearing," said Namig Muradov, head of the clearing department for "Azerigas" state concern.

It is known that today, on 20 April, the deadline to solve the debt problem for gas, which was proposed by Turkmenistan, has come to an end. The debt totals $60 million.

"In order to pay off the debt, Turkmenistan demanded that Azerigas deliver credits for oil equipment and production of the next export to Turkmenistan," said Muradov.

According to him Annageldi Gandimov, the deputy head of the State Supply of Turkmenistan arrived in Baku to deal with the matter.

Georgia

Georgian-Abkhazian Talks Close to Completion

LD2104211594 Moscow ITAR-TASS in English 1936 GMT 21 Apr 94

[Report by ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva 21 April TASS—The next round of Georgian-Abkhazian talks is due to be held in Moscow on 10 May. This was a decision passed in Geneva where the negotiating teams of the two conflicting sides have discussed over the latest three days a political status to be granted to Georgia's breakaway province of Abkhazia, which is the most sensitive and complicated problem of Abkhazian settlement.

During the meeting, mediated by U.N. and Russian diplomats and arranged in full accordance with the agreements signed in Moscow on 4 April, the two sides failed to come to any compromise.

"So far, we have not reached understanding", said Sokrat Dzhindzholia [name as received], Abkhazian prime minister and chief negotiator. In an interview with TASS, he suggested that the concluding meeting on Friday would hardly break the deadlock either.

The Georgian delegation does not pin hopes on tomorrow's meeting either. When asked if there were any chances of signing some agreement on Friday, Georgian Deputy Foreign Minister Mikhail Ukleba said it was hardly possible.

On Thursday, the mediators forwarded two draft documents to the negotiating teams. One of them lists "political and legal components of all-round settlement," the other provides for creation of a coordinating commission to solve political issues in the fields of energy supply, transport, communications and others. The conflicting sides are to come up with their preliminary remarks on the documents on Friday. However, the central discussion is likely to get under way in Moscow on 10 May.

The main "stumbling-block" during the talks was difference in approaches by the two sides to the problem of Abkhazia's political status. The Georgian delegation insists that dialogue should proceed from the idea of Georgia's territorial integrity. The Abkhazian team does not agree. "We proceed from the fact that Abkhazia and Georgia are presently independent of each other," Dzhindzholia told TASS.

U.N. and Russian diplomats tried to span a bridge between these two stances by proposing a compromise wording, under which Abkhazia is to be "a subject vested with sovereign rights within a union state" built within the boundaries of the former Georgian Soviet Republic as of 21 December 1991. The warring parties are to recognize the territorial integrity of "the union state", the name for which will be chosen in the course of further negotiations.

As for the proposal for a coordinating commission, Russian and U.N. experts believe it may comprise four representatives from each side. It was also suggested that the commission hold its meeting in the Black Sea resort of Sochi, beginning from 1 June, under the chairmanship of a U.N. envoy and with the participation of a Russian mediator and a CSCE observer.

Abkhazia Government To Sit in Zugdidi

NC2104153394 Yerevan SNARK in English 1110 GMT 20 Apr 94

[Text] Tbilisi, 20 April (SNARK)—According to an order of the Georgia's Cabinet of Ministries, now the Government of Abkhazia will sit in Zugdidi city, instead of Tbilisi.

The order, which was published in "SVOBODNAYA GRUZIA" newspaper, allows the Georgian Corporation of TV and Radio Broadcast to censor information about Abkhazian-Georgian relations.

The Defence Ministry of Georgia has been charged to present a concrete plan of special actions at the zone of Kodor canyon in Western Georgia to the Coordinating Headquarters on Abkhazian problems till 20 April.

Communist Party Holds Plenum

AU2104184994 Tbilisi KOMMUNISTI in Georgian 14 Apr 94 p 1

["Chronicler"-signed article: "For the History of the Georgian Communist Party"

[Excerpts] In accordance with a decree of the Republic of Georgia Supreme Council of 26 August 1991, the Georgian Communist Party was outlawed and its activities halted on an order from President Zviad Gamsakhurdia. In September of the same year, the initiative group of the communist movement began its activities. Organizational work was conducted in Tbilisi in September and October and in other towns and rayons in November and December.

At its constituent conference held in Tbilisi in February 1992, the Georgian Workers' Socialist Party was formed on the basis of the Georgian Communist Party, the "Stalin" Society, and the Georgian Union of Communists. [passage omitted]

On 10 April 1994, a regular plenum of the Georgian Workers' Socialist Party was held. There were two questions on the agenda: Introducing changes to the name of the party and organizational [passage indistinct]

The plenum decreed:

1. To replace the word "Socialist" in the party's name by "Communist" and to rename the party the Georgian Communist Party.

2. The plenum recognized it as expedient to reduce the size of both the bureau and the secretariat. The bureau was reduced to 15 members and the secretariat to five. [passage omitted]

Following the April plenum, the Georgian Workers' Socialist Party nominated a group of comrades. They convened a constituent conference and announced the creation of the Union of Communists. They elected comrade Sergo Rigvava as the union's first secretary, Karlo Gardapkhadze as second secretary, and Mikheil Chachukashvili as secretary. The Union of Communists was registered in the Ministry of Justice in January 1994.

In January 1994, the Georgian Workers' Socialist Party held a plenum at which, at the request and on the decision of the absolute majority of the party's members, the name of the party was again changed. It was now decided to remove the word "Workers'" from the party's name and call it: the Georgian Communist Party.

The rules of the Georgian Communist Party were published in the first edition of KOMMUNISTI (19 March 1994).

The Georgian Communist Party has been legalized. The registration of the party's members and the acceptance of new members is currently underway. At the same time, work has begun on preparing the Georgian Communist Party plenum that should unite all parties with a socialist orientation under the banner of the Georgian Communist Party.

As promised, the KOMMUNISTI newspaper is ready to render a service to all parties with a socialist orientation and publish important information on their activities that has been approved by them.

[Signed] Chronicler.

Peacekeeping Force To Consist of Only Russians

MK2104121094 Moscow SEGODNYA in Russian 21 Apr 94 p 1

[Unattributed report: "Peacekeeping Troops in Georgia May Be Russian Only"]

[Text] It has become known that yesterday's consultations in Moscow between representatives of Georgia and Russia looked at the composition of international peacekeeping forces in Georgia. In the view of one of the participants in the consultations, who wished to remain anonymous, the peacekeeping forces will be fully manned by Russian military men, but will be under quadripartite control of the United Nations, CSCE, Georgia, and Abkhazia.

Estonia

Prime Minister Meets With World Bank President

WS2204083194 Tallinn BNS in English 1853 GMT 21 Apr 94

[Text] Tallinn, 21 Apr, BNS—Estonian Prime Minister Mart Laar continued his official visit to the United States on Wednesday [20 April] in a meeting with World Bank President Lewis Preston.

Laar thanked Preston for the tremendous amount of work the World Bank specialists have put into developing Estonian economy, as well as for past and future financial support.

The meeting discussed two concrete loan projects, one of which targets the implementation of reforms in Estonian agriculture and food industry as well as a land reform, and the other would open for Estonia a credit line with the World Bank for long-term loans.

Laar met yesterday also with a number of influential American politicians. He had a longer talk with Representative Richard J. Drubin. Durbin showed particular interest in Estonia's cooperation with Western military structures, especially the North Atlantic Treaty Organization. They also discussed the state of Estonian-Russian relations and key issues of Baltic cooperation.

Laar delivered Wednesday night a speech at the U.S. Center for Strategic and International Studies, emphasizing the liberality of Estonia's economic policy and the country's difficult situation in the context of the world security policy.

The Estonian premier left Thursday morning for New York, where he is to meet with the U.N. Secretary General Butrus Butrus Ghali and address a plenary session of the U.N. population and development conference organizing committee.

Laar continues his visit in Boston. He is scheduled to speak at Harvard University about Estonian economy.

The Estonian premier is accompanied by Foreign Ministry Chancellor Indrek Tarand, his private secretary Toomas Kiho, and government adviser Ardo Hansson.

Laar returns to Estonia 25 April.

Finance Minister on 'Very Successful' EBRD Meeting

WS2104113794 Tallinn ETA in English 1916 GMT 20 Apr 94

["News Release"]

[Text] Tallinn, 20 April—Annual meeting of the European Bank for Reconstruction and Development (EBRD), that ended in St. Petersburg, Tuesday [18 April] night, was very successful for Estonia, with interest towards our economy being considerably great, Estonian Minister of Finance Heiki Kranich told ETA.

He told a press conference on Wednesday that the aim of the Estonian delegation at the meeting with the President of the bank Jacques de Larosiere was to point at the need for the bank to be more flexible and to take more risks. What Estonia proposed was that a risk capital fund could be created with the resources of EBRD, out of which direct equity investments could be made, so that the bank would be a shareholder in Estonian enterprises, Kranich said. He said that in Moscow also foundation of a joint Baltic risk capital fund was discussed.

According to the statutes of EBRD 60 per cent of credits are channeled into private sector and 40 per cent into public sector. This distribution is a problem in the former Soviet republics where the amount of private sector firms that own credit guaranties is still small.

An important event for Estonia was signing the agreement between Estonia, EBRD and Japanese Export-Import Bank on a $30 million credit line. Kranich said that Estonia was the first East European state that started a similar agreement, being only later joined by Latvia and Lithuania.

Kranich said that de Larosiere expressed great interest towards Estonia and readiness to take Estonian proposals into consideration and that he hopes that the results will be felt in the relations of Estonia and EBRD soon.

Kranich added that Baltic finance ministers who met in St.Petersburg, are to meet again in June this year to specify principles of cooperation and discuss possible projects.

"Invest and experiment in Estonia, for we have been successful and we are relatively small. You have all possibilities of success, which will do good also to the image of the bank," was Estonia's message to EBRD. "Estonia is a strong sign for other states as well and we have all prerequisites in order to take advantage of it," Kranich said.

Economy Receives Boost in 1st Quarter

WS2204091194 Tallinn BNS in English 1853 GMT 21 Apr 94

[Text] Tallinn, 21 Apr, BNS—The Estonian economy received in the first three months of the year 607.8 million kroons in foreign investments, Economics Ministry Deputy Chancellor Peeter Tohver told participants in a CEETEX '94 seminar in Tallinn.

Tohver said there's been a conspicuous shift in the structure of investment in the first quarter. Whereas last year 61 percent of foreign capital targeted industry, the figure for this year was only 23 percent. The investors displayed considerably more interest in the wholesale and retail trade, where investments jumped from last year's 35 percent to 65 percent. The share of capital invested in the financial sphere fell from 11 percent in 1993 to 8 percent this year.

According to the Estonian Enterprise Register, Egypt rose to the top of the list of investors. The 273 million kroons invested by the Monir L Noba & Abu Simbill company raises the share of Egyptian capital in foreign investments in Estonia to 45 percent.

Tohver said this actually shows how little money has been invested in Estonia and how a multimillion-kroon investment in just one enterprise may change the correlation of forces in the investment market.

Finnish capital, invested in the first quarter in 356 Estonian enterprises, accounted for 13 percent of total investments. The share of Swedish capital was the same, 13 percent, but it was divided between 48 companies.

Estonian enterprises received last year a total of 671 million kroons in foreign investments, of which Swedish capital formed 31 percent and Finnish capital accounted for 23 percent.

Russian Decree Postpones Higher Import Tariffs

WS2104113694 Tallinn ETA in English 1800 GMT 20 Apr 94

["News Release"]

[Text] Tallinn, 20 April—Estonian Ministry of Foreign Affairs informed ETA, on Wednesday [20 April], of a decree by the Russian Government, that postpones enforcement of higher tariffs on imports to Russia, enforced first on 15 March and causing the Baltic states to accuse Russia of starting an "economic war" against them, until 1 July.

The Estonian Foreign Ministry said that according to the decree, higher tariffs that were paid already, will be paid back or accounted for as advance payment.

New tariffs were applied by the State Customs Office of the Russian Federation on 15 March to all states that do not have most favoured nations status agreements with Russia, thus causing the Baltic states, that do not have such an agreement, to pay twice as high tariffs as the rest of Europe, whereupon Estonian Prime Minister Mart Laar called the action "economic war against Baltics." Estonian Ambassador to Russia Juri Kahn said then that the reason for such an action was Russian unstable interior situation and it was aimed at protecting domestic markets and reducing profits made by the mediators. "They did not aim at putting the Baltics into a difficult position but as such an opportunity appeared it was taken advantage of," Kahn added then.

Foreign Minister Confers With EU Secretary General

WS2104170394 Tallinn BNS in English 1455 GMT 21 Apr 94

[Text] Tallinn, 21 Apr, BNS—Estonian Foreign Minister Juri Luik met today with Daniel Tarschys, the head of the Swedish parliament's foreign commission and the new secretary general of the European Union [EU], the Foreign Ministry press service told BNS. Tarschys is in Tallinn to attend a meeting of parliamentary foreign commissions of the Baltic states, the Visegrad states and the Nordic countries.

Tarschys affirmed that the European Union will in the next few years attach top priority to strengthening the young democracies of the central and east European countries.

The EU secretary general said expansion of the union is also of great importance. In this connection he voiced the opinion that a democratic Russia as a member of the EU would be a positive development and that just for this reason Russia's admission to the union should be conditional upon its fulfilling the same requirements as other states.

Luik and Tarschys also touched on Estonian-Russian relations and the problems connected with the withdrawal of Russian troops from Estonia.

Kannik, Ukraine's Radetsky Sign Defense Agreement

WS2104112394 Tallinn BNS in English 1003 GMT 21 Apr 94

[Text] Tallinn, 21 Apr, BNS—Estonian Defense Minister Indrek Kannik and his Ukrainian counterpart Army Gen. Vitaly Radetsky signed Wednesday [20 April] in Kiev an agreement on cooperation between the two countries' defense ministries.

This is a framework agreement that stipulates different forms of cooperation in defense matters, including consultations on the formation and financing of defense forces, and joint action within the NATO Partnership for Peace program and in security policy.

Kannik told reporters after signing the agreement that it will promote further development of Estonian-Ukrainian relations, which "are sound enough at present." "We have a number of problems in common, as we both derive from such an abnormal country as the Soviet Union was," Kannik declared.

The Ukrainian defense minister said the security of Estonia and Ukraine can be ensured only through joint effort. "At present there are no big or small, strong or weak states: all countries must be treated on an equal footing," Radetsky claimed.

The defense ministers discussed in meeting opportunities for exchanging information about international peacekeeping missions. Kannik introduced to Radetsky the Baltic states' plans for establishing a Baltic peacekeeping battalion.

The Ukrainian defense minister observed that his country already has experience of keeping peace, since the Ukrainian blue helmets have for the past two years participated in peacekeeping operations in the former Yugoslavia.

Kannik spoke about the current state of Estonian-Russian relations. Radetsky, on his part, acquainted the Estonian defense minister with the relations between Russia and Ukraine and the tensions stemming from the division of the former Soviet Black Sea fleet and the subordination of the Crimean peninsula.

The defense ministers' meeting touched on the reduction of conventional and nuclear armaments in Ukraine. Kannik voiced the opinion that Ukraine might consider donating or selling its superfluous military hardware and supplies to Estonia. "We decided to set up a group of experts to solve the issue, but made no concrete decisions as yet," Kannik told BNS.

The defense ministers discussed the implementation of NATO's Partnership for Peace program in their countries. Kannik affirmed that Estonia hopes the program will lead to eventual full membership in the NATO. The Ukrainian defense minister said his country's parliament has blocked Ukraine from joining any military bloc for the time being, including military organizations of the Commonwealth of Independent States.

Radetsky told BNS that Russian troops must withdraw from Estonia by the agreed-upon deadline. "Russian military bases on your territory are your domestic affair and you must yourself decide whether to let them remain or not," he stated.

In the Ukrainian defense minister's opinion, Estonia shouldn't give Russian military retirees any special status. "Everything must be done in conformity with the requirements set by international organizations," Radetsky said.

Kannik is scheduled to meet today with the Ukrainian Deputy Foreign Minister and Deputy Defense Minister Col. Gen. Ivan Oleinik, and several other high-ranking officers. His program for today also includes laying a wreath at the tomb of the Unknown Soldier in Kiev.

The Estonian defense minister will tomorrow visit the Ukrainian Institute of Land Forces and meet with members of the general staff.

Kannik is accompanied by the parliamentary Defense Commission Chairman Rein Helme, Estonia's charge d'affaires in Ukraine Andrei Birov, Defense Ministry Chancellor Tarmo Molder, and Defense Ministry and general staff officials.

The Estonian delegation returns to Tallinn 23 April.

Einseln Discusses Military Cooperation With Russia

WS2204090194 Tallinn BNS in English 1853 GMT 21 Apr 94

[Text] Moscow, 21 Apr, BNS—The commander of the Estonian Defense Forces, Major General Aleksander Einseln discussed today in Moscow with Russian military command the possibility of military cooperation between the two countries.

"We don't think our contacts with the Russian military will stop with the pullout of Russian troops (from Estonia)," Einseln said in an interview with BNS. "We must look into the future and map out the course of our cooperation."

Einseln regards training of Estonian officers in Russia as one of the forms the future cooperation may take. "It would be useful for our officers just like training in other countries," he said.

The general didn't rule out the possibility that Estonia may purchase military equipment from Russia. "We are interested in Russian antitank and antiaircraft weapons," he said. "We received price lists and we shall study the offer together with other countries' offers."

Estonia is interested in buying Russian armaments, although it bought a large consignment of weapons from Israel and plans to adopt NATO standards.

"Estonia hasn't adopted a policy of purchasing its weapons from one certain country," the commander of the Estonian Defense Forces said. "We realize the disadvantages of having different types of arms in one military unit, but we still have a long way to go and our options are open," Einseln told BNS.

During his visit to Moscow that began on Wednesday [20 April], Einseln had meetings with Colonel General Mikhail Kolesnikov, chief of the Russian general staff, and with several officers responsible for foreign relations.

The commander of the Estonian Defense Forces received good impressions during a visit on Thursday to the Kantemirov division stationed near Moscow. "The unit looked good," he commented briefly.

The Russian officers who met with Einseln noted that the talks were "surprisingly friendly."

"Sometimes we even forgot we faced an Estonian, not American, general," one of the participants in the meetigs told BNS. Einseln himself was more reserved, saying the meetings were "professional."

This was the Estonian Defense Forces commander's first visit to Russia. Einseln, who has spent the greater part of his life in the United States, assumed his present post in 1993. He retired from the U.S. Army in 1985 after 35 years in service.

Einseln leaves Moscow on Friday after a tour of the Kremlin.

Latvia

Seima Official Details 20 Apr Session

LD2104221794 Riga Radio Riga Network in Latvian 2000 GMT 21 Apr 94

[Text] After Wednesday's extraordinary session, a complex situation arose in the Saeima. At today's scheduled news conference, Saeima Associate Chairman Aivars Berkis gave the following account of the session:

[Begin Berkis recording] I have not seen such a dramatic situation since the August coup of 1991 as that experienced by the Latvian Parliament last night. The extraordinary session was convened at the request of deputies of the radical right, For the Fatherland and Freedom and the Latvian National Independence Movement [LNNK], in order to block the signing of any of the agreements initialled on 15 March with Russia, and to form a new delegation for the talks. Only 26 deputies, however, voted for this bill, for the individual paragraphs; there was no (?vote) for it as a whole.

Thereafter, with the deputies of the Fatherland and Freedom and the LNNK, together with Equal Rights deputies and Popular Harmony Party deputies not taking part in the vote, the version favored by the state president and supported by the Latvian Way and Peasants' Union factions—wanting the signing of the first three draft agreements and favoring clarification of the agreement on retired military personnel and its corresponding with the norms of international law—was also rejected.

Therefore, on an issue of great importance to Latvia, its security and future, the Saeima was at the same time both against signing the agreements and against not signing the agreements. In such a situation the state president was entitled to propose the dissolution of the Saeima, which would mean a referendum, new elections, and a whole string of unforeseeable complications. Or else the simpler way out—to raise the question of confidence in the government on its handling of foreign and security policy. Prime Minister Valdis Birkavs proposed such a vote of confidence. In my opinion this was an (?impetuous) decision, because most of the deputies in the governing coalition were not at the plenary session. However, the result was positive: Of the 87 present, 51 supported the government's course.

I believe that if all those deputies loyal to the government had been present, then (?69) of the votes would have been in the government's favor (?against 30), which would be more than in the autumn, when the Saeima voted for the then newly formed government of Valdis Birkavs. In my opinion this vote is sufficient proof that the state president, together with the prime minister, can continue its dialogue with Russia. [end recording]

So, today, in the Saeima, the government received a vote of confidence. [passage omitted]

Latvia Off U.S. Arms Export Ban List

LD2104170094 Riga Radio Riga Network in Latvian 1500 GMT 21 Apr 94

[Text] From 4 April this year, the U.S. State Department will remove Latvia from the list of countries to which it is forbidden to export arms. The Latvian Foreign Ministry reports that the United States has officially announced that Latvia, Albania, Bulgaria, Cambodia, Estonia, and Romania are no longer to be included in the list of countries to which, observing the rules of international arms trade, the U.S. forbids the export of arms and defense equipment. This means that in future the United States will not require a licence for the export or import of defense material and defence services to Latvia.

NATO General Comments at End of Visit

WS2104141194 Tallinn BNS in English 1213 GMT 21 Apr 94

[Text] Riga, Apr 21, BNS—NATO Allied Forces in Europe North Military Group's Commander General Garry Johnson completed Thursday [21 April] his visit in Latvia. During the visit, he met with Latvian Defense Forces Commander Dainis Turlais, Defense Minister Valdis Pavlovskis and different ministry's officials, and Foreign Ministry's Parliamentarian Secretary Martins Virsis, and discussed Latvia's cooperation with NATO.

Before leaving, Johnson said at a press conference that the visit was done in the framework of NATO program for cooperation with other states.

Johnson noted that Latvian officers have taken part in several NATO training programs, and NATO expert groups help Latvian defense forces' representatives with advice. Johnson praised Turlais's contribution to the forming of Latvian defense forces. He noted that Latvian soldiers, sent to take part in NATO training programs, were physically well prepared.

Answering journalists' questions, Johnson said NATO was ready to cooperate both with Latvia and Russia, and he expressed hope that Russian army would be fully withdrawn from Latvia till the complete drafting of the cooperation program. He said Russian army's presence in Latvian Skrunda will not influence cooperation between Latvia and NATO, said Johnson.

Johnson also said that no priorities in cooperation with NATO would be given to Russia, though Russia could involve large forces in NATO's activities.

Lithuania

President Brazauskas Leaves for Bucharest Conference

LD2104125494 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 21 Apr 94

[Text] President Algirdas Brazauskas left for Bucharest today to attend a four-day conference organized on the initiative of Romanian President Ion Iliescu. The president is accompanied by Transport Minister Jonas Birziskis, Trade and Industry Minister Kazimieras Klimasauskas, and Ambassador Justas Paleckis, presidential adviser on foreign policy.

The conference will discuss issues of regional security and economic cooperation of the European countries. Algirdas Brazauskas will deliver a report on economic reforms in Lithuania. He will have meetings with heads of delegations of some countries, and with representatives of the European Union and of NATO. The organizational committee has announced that about 60 delegations of international organizations and countries of Europe, the Mediterranean, and the Persian Gulf will take part in the conference.

Foreign Minister Visits Brazil, Discusses Cooperation

WS2104141494 Tallinn BNS in English 1213 GMT 21 Apr 94

[Text] Vilnius, Apr 21, BNS—Lithuanian Foreign Minister Povilas Gylys, currently on a Latin American trip, met with his Brazilian counterpart Celso Amorim in Brasilia Apr. 19.

The two ministers exchanged information about the internal situation in their countries, discussed regional problems and possibilities to expand bilateral cooperation, the Lithuanian Foreign Ministry said. Gylys presented draft agreements on investment protection, and visa-free travel. Amorim proposed to draft bilateral agreements on cultural, technical and scientific cooperation.

In Brasilia, Gylys also met with the leadership of the Brazilian parliament, the chairman of the Supreme Federal Court and the minister of industry, trade and tourism, Elec Alvares [name as received]. Gylys invited the Brazilian minister to visit Lithuania during his upcoming European trip. The ministers agreed to exchange visits of trade delegations.

The same day Gylys paid a visit to the Lithuanian community in Sao Paulo.

On Wednesday [20 April], the Lithuanian foreign minister was scheduled to visit Rio de Janeiro.

Election Commission Denies Decisions 'Biased'

WS2104112494 Tallinn BNS in English 1003 GMT 21 Apr 94

[Text] Vilnius, Apr 21, BNS—The Chief Election Commission [CEC] of Lithuania on Wednesday [20 April] circulated a statement denying accusations that its decisions are politically biased.

The statement came as a reaction to allegations that the CEC unlawfully refused to register Conservative Party candidate Liudvikas Sabutis for a by-election in the Kaisiadorys district. The conservatives filed an appeal against the decision to the Supreme Court.

Vytautas Landsbergis, leader of the Lithuanian parliament's opposition, said CEC is manipulated by the ruling Lithuanian Democratic Labor Party.

The CEC said Sabutis was denied registration because the Conservative Party did not register itself specially for elections, although the conservatives are an officially registered political party. The Conservative Party says the commission misinterpreted the law on election, which does not require special registration for elections.

In its statement, the CEC said Landsbergis' allegations are "groundless and insulting." The commission said it "always observed and will observe the Constitution and Lithuanian laws."

A by-election election in the Kaisiadorys district to fill a vacancy left by President Algirdas Brazauskas is scheduled for May 15. Bakery worker Albinas Visockas, leader of the newly founded extreme-left Socialist Party, is the only candidate registered for the election. Visockas nominated himself as an independent candidate.

Justinas Karosas, chairman of the ruling LDLP faction, categorically denied accusations of manipulating the CEC. Karosas told reporters Wednesday that the party in power will neither support nor hinder Visockas's participation in the by-election.

Statistics Department Reports Prices Stabilizing

WS2104112894 Vilnius ELTA in English 1901 GMT 19 Apr 94

[From "News Bulletin" No. 481]

[Text] Vilnius, April 19, ELTA—Department of Statistics reported that prices in the first quarter of 1994 were increasing in average by 3.7 per cent in a month and this was much less than during the same period last year, when prices were increasing by 13.6 pct in average.

Inflation rate of the first quarter, 1994, was 11.4 pct. Last year, during the same period, the rate was 46.5 pct.

Most of all, prices for health care and medical services rose during the first quarter - by 20.9 pct, least - transportation and communications - 2.9 pct. Prices of food increased by 12.1 pct, clothes and footwear - by 12 pct. Dwelling, fuel and energy became more expensive by 10.8 pct, household goods - by 9.7 pct.

Speed of price-growing in Lithuania this quarter was slower than in Estonia and Belarus but faster than in Latvia. Inflation rate in Belarus was the biggest - 10.2 pct - last month, in Latvia it was the lowest - 1.7 pct. Prices in Estonia increased by 8.9 pct last month.